

## Chun Resigns as Party Leader; Shake-Up of Top Posts Expected

By Nicholas D. Kristof  
*New York Times Service*  
SEOUL — President Chun Doo Hwan resigned Friday as president of the ruling Democratic Justice Party, saying that he should remain above party politics in the period before a new presidential election.

The move was another concession to the opposition, which had demanded that Mr. Chun leave the party post. But it fell far short of the additional opposition demand that he appoint a caretaker cabinet drawn from all sectors of society to guarantee the government's neutrality in the election.

Mr. Chun agreed 10 days ago to permit direct presidential elections to choose his successor, but he is widely unpopular and his good faith seems to be broadly doubted. Several hundred thousand people rallied against the government on Thursday, in perhaps the largest demonstration in South Korea's

history, and the announcement Friday may have been partly intended as another sign of the president's sincerity.

"This is a crucial time to prepare for the first peaceful transfer of power in the 40-year political history of the republic," Mr. Chun said in announcing his resignation from the party post. He noted that it was the first time a South Korean president had given up a top party position before leaving office.

The move also strengthens the hand of Roh Tae Woo, the chairman of the ruling party and its candidate to succeed Mr. Chun when his term expires in February. Until recently, Mr. Roh had been mostly in Mr. Chun's shadow, and he may develop more of his own persona as sole head of the party.

Some opposition leaders, such as Kim Dae Jung, urge the creation of a caretaker cabinet because of the potential for manipulation of the



Lieutenant Colonel Oliver L. North on Friday with stacks of telegrams from supporters.

## Casey Envisaged Secret Spy Unit With Iran Profit, North Testifies

Compiled by Our Staff From Dispatches  
WASHINGTON — Lieutenant Colonel Oliver L. North testified Friday that William J. Casey envisioned using profits from the covert sale of arms to Iran to set up an intelligence agency outside the government that would work secretly for U.S. foreign policy goals.

"The director was interested in going to an off-the-shelf, self-sustaining entity that could perform functions for the United States," the colonel said.

He said he saw nothing illegal or unconstitutional about the plan by Mr. Casey, the head of the Central Intelligence Agency, who died of cancer in May.

However, in his fourth day of testimony before the joint congressional Iran-contra committee, Colonel North denied that using the fund meant "a CIA outside of the CIA" was being created, as a committee lawyer suggested.

Senator William S. Cohen, Republican of Maine, a member of the panel, said the testimony about the fund was "perhaps one of the most serious revelations" of the hearings because it showed a plan to circumvent Congress for secret operations.

The Senate committee chairman, Daniel K. Inouye, Democrat of Hawaii, saw the plan as "the creation and maintenance of a secret government within our government."

Colonel North said that once, by using the funds, he was able to

obtain a ship overnight after Mr. Casey had said, "We can't find one anywhere else: Get a ship."

After that success, he testified, he received a note from Vice Admiral John M. Poindexter, then the national security adviser, objecting that Colonel North's operational role was becoming too public. The colonel said the admiral ordered him not to talk to anyone else, including Mr. Casey, about it.

At one point, Colonel North said, Admiral Poindexter said to him about the diversion of Iranian arms sales profits to the contra rebels, "This had better never come out."

"I took steps to ensure that it didn't and they failed," Colonel North said.

Senator David L. Boren, Democrat of Oklahoma, said he was deeply concerned about the plan. He called Colonel North's statement "very shocking."

"We really would have a complete loss of constitutional government in this country if you could sell taxpayers' property" to "set up a fund that the president and Congress would have no control over," Mr. Boren said.

Colonel North also testified that the Iran operation was, from the outset, an attempt to buy freedom for Americans held hostage by pro-Iranian extremists in Lebanon.

Colonel North also told the televised congressional hearings on the Iran-contra affair that he acted on the plans to swap arms for hostages with the backing of Mr. Casey.

He said he sensed only "muted" opposition from Secretary of State George P. Shultz and Defense Secretary Caspar W. Weinberger.

Colonel North said in his fourth day of testimony that President Ronald Reagan had made it clear that he wanted the hostages home as soon as possible.

"By the time I became operationally engaged in late November," the colonel said, referring to November 1985, "the proposition was put forward" as "a straight arms-for-hostages transaction."

Only later, Colonel North said, did he broaden his efforts to include improving strategic relations with Iran.

When the arms sales became public last autumn, Mr. Reagan strongly denied that he had been trading weapons for hostages. After several months, however, he said the scheme had deteriorated into an arms-for-hostages swap.

Colonel North said that, while he had heard rumors that Mr. Shultz and Mr. Weinberger objected to the arms-for-hostages swap, "I did not hear then the stringent objections that have now been indicated."

He said he was never present at any meetings where Mr. Shultz or Mr. Weinberger objected to the plan.

Mr. Casey, he said, "was always a supporter," particularly because the CIA's Beirut station chief, William Buckley, was one of the hostages.

Mr. Buckley was tortured and died in captivity in 1985.

"I would simply observe that, like some of my other activities, the opposition that I heard was far

## Kiosk Iran Searches 13 Ships in Gulf

NICOSIA (AP) — Iran said Friday that its gunboats and marines intercepted and searched 13 commercial ships in the Strait of Hormuz but released them after no Iraq-bound cargo was found.

The official Islamic Republic News Agency, monitored in Cyprus, did not give the names or nationalities of the vessels, which were intercepted Thursday. Iran has made a practice of intercepting commercial vessels sailing through the Gulf's only outlet in search of goods destined for Iraq.

## Panama Sends In Army To Break Up a Protest

PANAMA CITY — Troops used shotguns and tear gas Friday to break up demonstrations by thousands of Panamanians who defied a ban on public protests to demand the removal of the country's military leader, General Manuel Antonio Noriega.

As tear-gas grenades exploded in the capital's main thoroughfare, troops fired shotguns over the heads of protesters to try to disperse them from moving toward the city's banking and commercial center.

Witnesses said shooting broke out as the demonstrators, most of them from the middle class, headed toward a church that was to serve as the protest site.

The opposition had said the protest would be the biggest yet against General Noriega, who is chief of the military and police and de facto ruler of Panama.

President Eric Arturo Delvalle had emphasized on Thursday night that the government banned protests earlier in the week. He ordered banks, schools and government offices closed, saying there was a danger of violence and anarchy.

Tens of thousands defied the ban earlier in the week, but security forces made no move then to halt those protests.

## All the Star-Makers Agree: Ollie's Got It

WASHINGTON — After four days of testimony at the Iran-contra congressional hearings, Lieutenant Colonel Oliver L. North appears poised on the brink of celebrity stardom.

This is the process by which a flash of fame reaches critical mass and is converted into books, movies, money and the other basic elements of mass consumption.

"My heart is pounding," a casting director, Jane Feinberg, said Thursday in Hollywood. She has been getting up at 6 each morning to watch Colonel North.

"I gotta tell you," she said, "I'm opposed to his politics, but I respect this man so much. I wept, I

cried, when he told that story about his wife—you know, 'She's probably hearing this for the first time. Oh! This man got to me!'"

She is not alone. Judging from the reactions of several publishers, agents and television types who say they have been riveted by Colonel North's performance, he will soon be receiving enticements.

"There's almost no price that he couldn't exact," said a New York literary agent, Esther Newberg.

"We've always had a great deal of interest," said Michael Korda, head of Simon & Schuster, "and we have a great deal more now."

"Random House has made it clear to anybody who'd listen that we'd be very interested in talking

about Oliver North's book," said Peter Ornos, associate publisher. "There is something about him that is just very compelling. A book by North has the potential to be remarkable."

"The best actor I've seen on television," said Barbara Brogliatti, vice president of corporate communications for Lorimar Telepictures.

"I think he could be a motion picture star," said Ms. Feinberg's partner, Mike Fenton, who dreams of casting the colonel as an American war correspondent in "Bengal Lancers," to be filmed soon.

"I have not met Ollie North personally," Mr. Fenton said, "but I think in his persona there is something that can be magic."

"He is arresting. He is charming. Those moments when he talks to his counsel and puts his hand over the mike, with that cute little smile. When he makes his asides, drops his little bon mots."

For the dreamed-of North memoirs, Mr. Korda would look for a "good collaborating writer" who could be tempted to share a probable advance of at least a million dollars.

"No price is crazy if you can earn it back with a best seller," Mr. Korda said, contrasting Colonel North with the former White House budget director, David A. Stockman, who received more than



Richard Hirschfeld, who turned in Ferdinand Marcos, said he had a business deal with Manila.

**GENERAL NEWS**  
Sikh gunmen killed a former Punjab minister and his family in northern India. Page 2.  
The West offered to hold dual sets of negotiations on security in Europe. Page 3.  
**BUSINESS/FINANCE**  
United Airlines and three European carriers plan a joint reservation system. Page 7.  
**MONDAY**  
Private banking, once practiced mainly by a few European partnerships, has expanded into almost every major financial center. Personal Investing.  
Dow close: UP 4.78  
The dollar in New York:  
DM £ Yen FF  
1.8465 1.613 150.80 6.1525

## Another Close Call Over the Atlantic

By Richard Witkin  
*New York Times Service*  
NEW YORK — For the second time in a week, two large passenger jets nearly collided over the Atlantic.

An incident late Thursday morning, which involved about 180 passengers, occurred less than 24 hours after a near-collision over the ocean threatened the lives of nearly 600 people on two jetliners flying to the United States from London.

In the latest incident, the Federal Aviation Administration said a Pan American World Airways Airbus A-310 and a Viasa Venezuelan DC-10 jumbo, flying in opposite directions, ended up at the same altitude because of an error by a traffic controller.

The two incidents come at a time of growing concern — among government officials, industry safety experts and the public — about an increase in near-collisions and mistakes by controllers that have coincided with a rise in summer air traffic.

FAA officials generally disagree with some experts that the increase in such incidents is a direct result of the growth in air traffic. As a result, they have rejected calls for arbitrary reduction in the number of airline flights.

At the same time, the government officials acknowledge being worried and puzzled by the danger signs, and they say they are studying ways — other than making arbitrary traffic cuts — to provide a greater safety margin.

Canadian and U.S. aviation officials have begun inquiries into both this week's incidents.

The incident Thursday occurred about 800 miles (1,300 kilometers) south of New York City.

The Viasa pilot, flying from Caracas to New York, took evasive action, the FAA said, and reported missing the Pan Am plane by a quarter mile horizontally.

The Pan Am crew, on its way from New York to St. Thomas, in the Virgin Islands, reported the distance to have been 300 feet (92 meters) vertically and 500 feet horizontally.

The Pan Am plane was carrying 91 people, and an airline official said the Viasa plane was carrying 93.

In the first incident, Wednesday

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## Confessional Politics: All the Rage for '88

By E.J. Dionne Jr.  
*New York Times Service*  
WASHINGTON — It was not surprising that Kitty Dukakis, the wife of Michael S. Dukakis, the governor of Massachusetts and a Democratic presidential contender, decided to discuss her former addiction to diet pills in public. And that, according to politicians, political consultants and academics, may be the most remarkable fact about the way the 1988 presidential campaign is developing.

Ever since Gary Hart's withdrawal from the contest in May because of publicity over his relationship with a 29-year-old model, what might be called confessional politics — the need for public figures to disclose, voluntarily, before the press does, facts that might be even remotely embarrassing — has become the order of the day.

Because there is now less certainty than ever about what the press will choose to write about, candidates and their spouses are being pushed, by their advisers or their own apprehensions, to disclose aspects of their lives that in another era would have remained private.

"The press has collectively made a decision that when any information is presented to them and documented, they will publish it," Eddie

Mahe, a Republican consultant, said Thursday. "So the new rule on these things is: You'd better talk about it, and you'd better talk about it first."

David Garth, a New York political consultant, expressed misgivings that the trend would trivialize political debate.

"The next thing you know, they're going to confess to an obsession for chocolate," he said.

Mrs. Dukakis was widely

identified, said Mrs. Dukakis also had made her spouse, who has a reputation for coolness, "look like a warm, caring, loving and compassionate husband."

In its current mood, some politicians said, the nation may reward candidates who appear a bit vulnerable: confessional politics may also be smart politics.

"Everyone in their own lives has made enough mistakes," said Representative Newt Gingrich, Republican of Georgia, "that they feel reassured when they see someone else who made a mistake and learned something."

Mrs. Dukakis said in an interview on Wednesday that her efforts to keep her treatment for the addiction secret had produced potentially even more damaging rumors, that she had once separated from her husband.

When she went for treatment in 1982, in the midst of her husband's gubernatorial campaign, Mrs. Du-

**"The next thing you know, they're going to confess to an obsession for chocolate."**  
— David Garth, New York political consultant

kaakis said that she had invented a cover story that she had hepatitis and was going to recuperate with a former roommate in Michigan.

But her month at a drug treatment center in Minnesota started a spate of rumors about the state of her marriage. Newspapers in Boston speculated about whether the couple had been separated and whether a divorce was planned after the inauguration. The rumors were revived this year shortly after Mr. Dukakis announced his candidacy for president.

"The rumors of a separation stemmed from that," she said. "But I couldn't do anything about stopping them."

Ultimately, the only way to kill the rumors about a separation was to make her treatment public.

For some in politics, the new tendency to expose personal weakness is an extension of an older approach to the marketing of human frailty, which Christopher J. Matthews, president of the Government Research Corp. in Washington, calls, "Hang a lantern on your problem."

"The first step is, admit you have a problem; that gives you credibility," said Mr. Matthews, who was a



FLASH TO THE FORE — The gaudily helmeted Charly Mottet of France pedaled to a second-place finish Friday in a 54-mile time trial, the Tour de France's first major test, and took the race's overall lead. Stephen Roche of Ireland won the time trial. Page 13.

## L.A. Stunlord Sentenced to Live Like His Tenants

The Associated Press  
LOS ANGELES — A Beverly Hills neurosurgeon has been sentenced to wear an electronic device to make sure he obeys his court-ordered, 30-day confinement in a vermin-infested apartment building that he failed to repair.

Dr. Milton Avol will have to wear a so-called electronic leash on his ankle so authorities will know if he leaves his building, which he rents to low-income tenants.

"I will only permit you to go outside the building so you can assist in repairs to the building," Judge Veronica Simmons-McBeth of the Municipal Court said this past week as she ordered the confinement to start Monday.

She imposed the sentence, the first of its kind in Los Angeles, two years ago, after Dr. Avol repeatedly failed to improve conditions at four buildings he owned. It had been suspended during appeals.

"I'm glad he's finally serving his time in this building," said Deputy City Attorney Stephanie Sautner. "It's still a slum building. It's infested with vermin and cockroaches, electrical problems, mildewed walls, faulty wiring."

# Western Australia's Rural Voters Strain for a Voice

By Michael Richardson  
International Herald Tribune

**KALGOORLIE**, Western Australia — On a rare visit to his hometown during the campaign for Australia's national elections, scheduled for Saturday, Graeme Campbell sat in his office on the main street here and gazed at a map of Western Australia that covered most of one wall.

"It's a pretty big electorate," he said wryly, referring to the voting district.

"It includes 92 percent of Western Australia, virtually the whole state except for Perth and a bit of wasteland around it."

Perth is the state capital, and most of the population of Western Australia is clustered there and in surrounding districts. And so Mr. Campbell, a man of the outback, was cracking a joke at the expense of city dwellers.

He is a member of Australia's ruling Labor Party and represents the seat of Kalgoorlie in the House of Representatives, the lower chamber of Australia's Federal Parliament in Canberra.

The electorate takes its name from Kalgoorlie, a gold-mining center 310 miles (500 kilometers) east of Perth. It covers about a million square miles (2.5 million square kilometers), roughly the size of the European Community.

According to federal election authorities in Canberra, Kalgoorlie is geographically the largest voting division in the Western democratic world.

Its 70,000 registered voters range from fruit, sugar cane and cattle farmers in the semitropical north to tuna fishermen operating out of the southern port of Esperance, more than 1,200 miles away.

In between are some of Australia's richest gold, iron ore, nickel and diamond mines; oil and natural gas fields; huge sheep stations, and remote aboriginal communities.

But mostly there are no people, just endless expanses of semiarid land spotted with gum trees and spinifex, a sharp grass. Temperatures rise to more than 40 degrees centigrade (104 degrees Fahrenheit) for much of the year.

A lot of political campaigning has to be done in light aircraft and four-wheel-drive vehicles.

Mr. Campbell, 48, is well qualified to represent the electorate of Kalgoorlie. He has worked as a contract fencer, a driller, a blaster, an animal catcher, a wholesale distributor of soft drinks, a union official and a tender of livestock.

His constituents, by and large an irreverent bunch, sometimes call him "Fangs" or "Old Gummy" because he blew out his top teeth and fractured his jaw after laying a faulty dynamite charge.

Mr. Campbell has been the Labor minister of Parliament for Kalgoorlie since 1980. His winning margin in the last election, in 1984, was more than 6 percent.

He expects he will win again on Saturday, in part because the two main opposition parties, the Liberals and the Nationals, are running rival candidates, mirroring a fight that earlier this year broke up a longstanding federal opposition coalition.

This electorate is unlikely to play a pivotal role in the national elections. But it brings into sharp focus the differences between rural and urban Australia — and their relative political importance in the eyes of those who jostle for control of the federal government.

Bob Hawke, Australia's prime minister and the leader of the Labor Party, stopped over in Kalgoorlie for a few hours a couple of weeks ago while on a flying campaign tour of Western Australia.

But he and John Howard, the leader of the Liberal Party, have spent most of their time where the bulk of the votes are: in and around the state capitals and the major provincial cities, particularly in New South Wales and in Victoria on Australia's east coast.

High interest rates and levels of personal income tax are major campaign issues in Kalgoorlie as they are in other parts of Australia. The opposition has promised to cut taxes by reducing government spending.

"A lot of the people working in this electorate are high-wage earners living in high-cost areas," Mr. Campbell said.

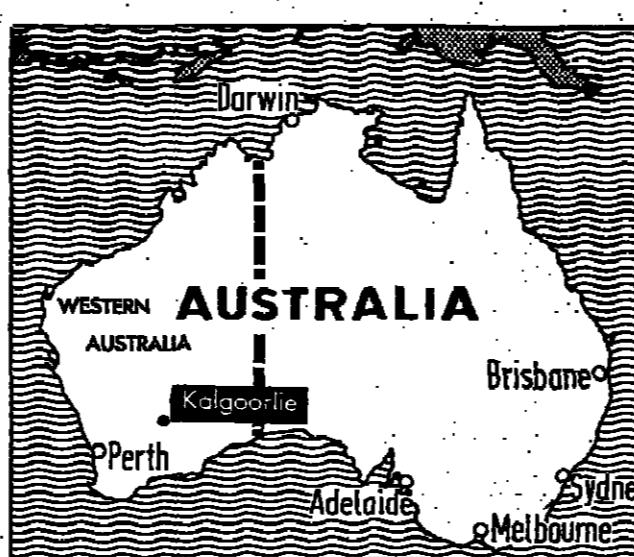
Other national issues such as employment, union strength, inflation and rising foreign debt, as well as the credibility of the main political parties, do not make much of an impression in this region.

Instead, people complain about the high cost of gasoline, housing, essential supplies and drinking water that have to be brought in over long distances.

They also complain that government welfare programs have encouraged laziness and alcoholism among aborigines in the area.

Aborigines, the original inhabitants of Australia before European settlement began 193 years ago, form little more than 1 percent of the total population. But in the Kalgoorlie electorate, they make up more than 10 percent of the voters.

Mr. Campbell has asserted that programs for aborigines need to put more emphasis on improving



Map of Western Australia showing major cities like Perth, Kalgoorlie, Adelaide, Melbourne, Sydney, Brisbane, and Darwin.

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# Sikh Rebels Kill Punjab Politician And Family

NEW DELHI — Sikh gunmen killed a former Punjab cabinet minister, himself a Sikh, and his family on Friday.

The deaths brought the toll in separatist violence in northern India this month to at least 119, according to unofficial figures, and followed the slaying Monday and Tuesday of 77 Hindus by separatist Sikh guerrillas in Punjab and Haryana states.

Troops have been deployed across northern India to prevent further violence.

The police lifted a curfew in a New Delhi district where Hindu guerrillas stoned and tried to burn Sikh homes and temples on Thursday during a protest strike that paralyzed the capital.

The police said tension had eased in New Delhi but troops planned to march in full battle dress through towns in neighboring Haryana state for the third consecutive day.

"We're treated as second-class citizens by the federal government," said Mr. Smales, who worked in the gold mines until he bought a jewelry business in Kalgoorlie from his father in 1977.

"There are no public opinion polls to go by. But Bill Sheahan, who helps run a gambling school on the outskirts of Kalgoorlie, gave his assessment of the mood of the electorate: 'We're antigovernment,'" he said, "but on voting day, we're for the Labor Party."

They attacked his firm near Amritsar, killing him, three members of his family and two bodyguards, said the police in Chandigarh.

More than 500 have died since the start of the year.

Strike Paralyzes Bombay  
A general strike to protest the killing of Hindus by Sikhs virtually paralyzed Bombay on Friday, Agence France-Press reported.

Scattered violence broke out during the one-day strike when opposition party activists stoned buses and buses that ignored calls to stop work, the Press Trust of India reported.

But most taxis and scooter taxis did not operate in Bombay, a city of 8.2 million, forcing people traveling by suburban trains to walk long distances. Only limited bus service was available.

# WORLD BRIEFS

## Belgium Passes New Immigration Law

BRUSSELS (Reuters) — A draft law to stem a flood of asylum-seekers entering Belgium has cleared its final hurdle and should be in force by the end of the year, Justice Ministry sources said Friday.

The law, passed Thursday by the parliament's upper house, aims to increase government power to prevent asylum-seekers from entering the country.

Under the new law, asylum-seekers will be turned back at the border if their identification or travel documents are not in order. Airlines also bring in would-be refugees whose documents are not in order and will be subject to a fine of about \$1,000.

## 8,000 Join Protest in Haitian Capital

PORT-AU-PRINCE, Haiti (Reuters) — About 8,000 demonstrators marched here Friday, singing anti-government songs and carrying posters attacking the Communist Party and other opposition groups.

Marchers also carried small, black coffin-shaped boxes and symbols commemorating the 22 persons killed during a general strike last week. Opposition groups have called for an indefinite general strike beginning Saturday in an effort to force the resignation of the ruling Duvalier government, led by Lieutenant General Henri Namphy.

Demonstrators said the ouster remained in power largely because of U.S. support. Richard Howell, a U.S. deputy assistant secretary of state, said Thursday that demands for General Namphy's resignation were a "fairy tale" wish for a "utopian solution."

## U.S. Knew of Moscow Embassy Tunnel

WASHINGTON (AP) — The United States has known about a tunnel system under the new U.S. Embassy in Moscow for years and has "regularly monitored and inspected" it, according to the State Department.

Charles E. Redman, the department spokesman, said Thursday that the tunnel was "not a new discovery by any means." He said that they had been found and "monitored" by U.S. personnel before 1975, when construction of the eight-building complex began. Their existence was reported by The Washington Times.

The tunnels contain water, electrical and sewage pipes and are common to other Soviet embassies, he said. The United States, he said, realized that the tunnels were a "potential security threat," but said they were necessary for the services to the embassy compound.

## Soviet Role in Mideast Talks Urged

GENEVA (Reuters) — President Francois Mitterrand of France said Friday that the Soviet Union should be part of a projected peace conference on the Middle East. Mr. Mitterrand spoke at the 76th UN Conference on Trade and Development, the UN's principal forum for north-south discussions.

He said after meeting with President Hosni Mubarak of Egypt, that such a problem, with its political, economic, and social implications, must be solved by those who have the most normal influence in the area. Mr. Mubarak said: "The Soviet Union must be part of an international conference because it is the second world power and could be a good mediator."

Mr. Mubarak met with Israel's foreign minister, Shimon Peres, on Thursday to discuss prospects for a conference, and Mr. Peres said while leaving for home Friday that he was encouraged by the talks. Mr. Peres said the main obstacle was "the Russian position vis-a-vis the nature of a conference and vis-a-vis its relationship with Israel."

## Senate Backs Trade Retaliation Bill

WASHINGTON (AP) — The Senate called Friday for increased pressure against Japanese trade barriers and overwhelmingly approved retaliation against countries with "a consistent pattern" of unfair trade practices.

The provision was approved 77-7 in a tentative vote and then by voice vote. Under the new provision, the U.S. trade representative would compile a list of countries with a "consistent pattern of trade barriers and market-distorting practices." He would pinpoint the major barriers and total the cost to Americans for export sales.

If the countries did not stop the unfair practices, they would face U.S. retaliation, which usually means tariffs or quotas on a country's products, within 19 months. If the barriers were dropped, however, compliance would be measured in increased U.S. exports over three years.

## Pretoria Offers Consultative Role To Urban Blacks

JOHANNESBURG — The government on Friday offered to let urban blacks elect representatives to negotiate with white officials for a new constitution.

Chris Heunis, minister of constitutional affairs, said a draft bill would create a national council of whites and blacks to advise the state on the new constitution.

President Pieter W. Botha first proposed such a council in January 1985, but black leaders objected to his insistence on appointing black representatives. Mr. Botha reintroduced the idea when he opened the latest session of Parliament on May 19.

In a telephone interview, Mr. Heunis said that if Parliament passes the bill, it still would be up to Mr. Botha to decide to set up the council and proclaim elections.

Black groups did not immediately comment on the new proposal. Under apartheid, South Africa's 25.6 million blacks have no vote in national affairs and are excluded from Parliament, which has separate chambers for whites, people of Asian descent and those of mixed race. The five million whites dominate the government and economy and maintain separate residential districts, health facilities and schools.

Police also arrested 438 striking black bus drivers and reported one man killed and four wounded in scattered violence.

# In Kenya, a Simple Hand Pump Means Safe Water

By Sheila Rule  
New York Times Service

**KWALE**, Kenya — At daylight's first blush, the women of this tropical district for generations have begun the long walk to faraway rivers and streams to collect water for their families.

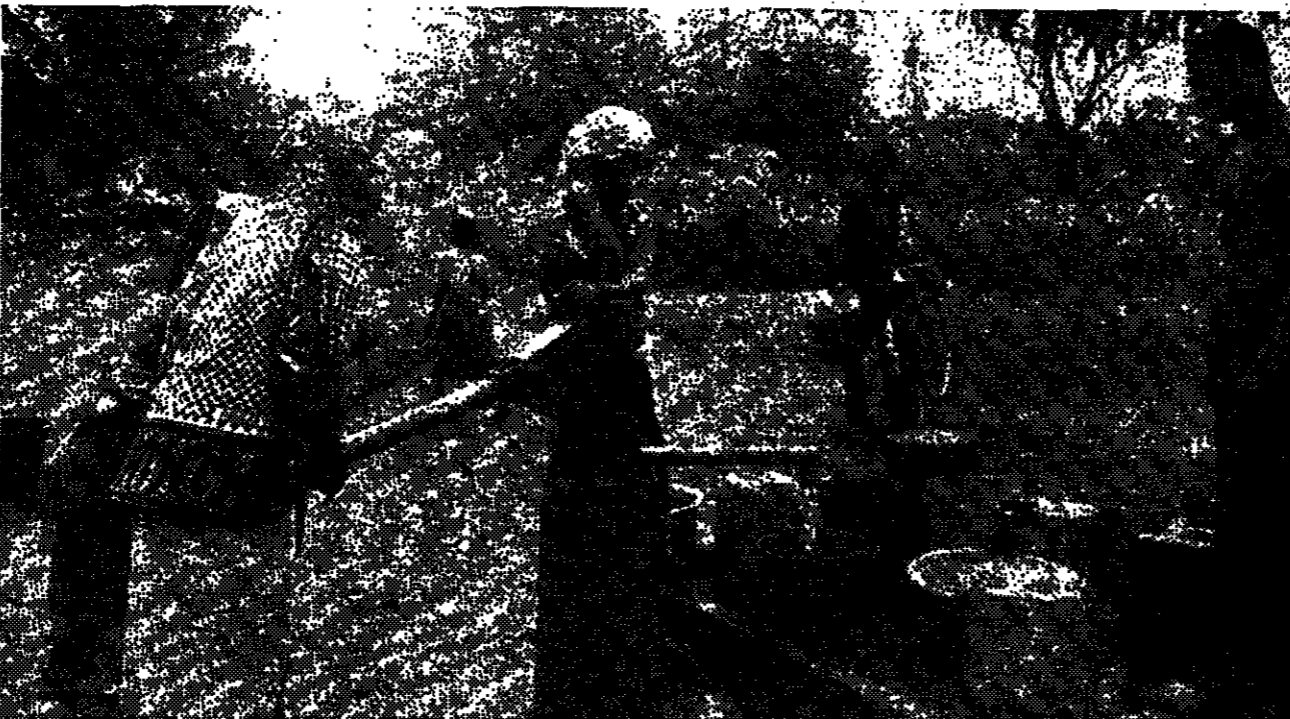
They have returned home hours later with water, unclean and unsafe, that has been largely responsible for the district's having one of the highest death rates among children in Kenya. Their plight has been similar to those of nearly two billion people in developing countries who, the United Nations says, still haul water from distant and contaminated sources, a practice resulting in millions of deaths a year.

But the situation in Kwale began to improve a few years ago with the aid of a global program promoting the use of a device dating to ancient Rome — the hand pump. Experts on the subject say that the pump provides one of the simplest and least expensive means of supplying safe water to populations in rural communities and those on the fringes of urban areas in the developing world.

"There was so much diarrhea, bilharzia and cholera," said a woman, sitting under the umbrella of towering trees. "Many people were dying. People didn't have time to do any other work because they were always looking for doctors to treat them. Things are better now."

Thousands of people involved in the program in Kwale now walk for fresh water only as far as their village hand pump, installed in wells placed where ground water of good quality is available. Kenyan hospital officials say that, although the prevalence of some water-related diseases remains high, the new system has contributed to a dramatic decrease in reported cases of diarrheal diseases and the virtual eradication of cholera.

The hand-pump project, sponsored by the World Bank and the UN Development Program, tested 70 different types of the machine in 20 countries in Africa, Asia and Latin America to find the most appropriate designs. The program is part of a worldwide campaign by



Residents of Kwale, in southeastern Kenya, fetch clean water at the village hand pump, installed through a UN program.

the United Nations, through its International Drinking Water Supply and Sanitation Decade, to provide reasonable access to safe drinking water and sanitation to the underdeveloped world by 1990, after a 10-year drive.

The decade began in a landscape strewn with failed water projects that used inappropriate technology and lacked community participation. Even now, some water experts say, at least 40 percent of such facilities are not working at any one time.

The current program, which receives financial support from several donor nations, has sought to resolve these and other problems. It has recommended most highly pump designs such as the Afridev in Kenya and the Tara in Bangladesh, which use parts made of polyvinyl chloride, an affordable and durable plastic. The devices are designed to be produced by local manufacturers in poor countries and easily installed and repaired by ordinary villagers.

A new report on hand pumps by the project's sponsors suggests the magnitude of the task of providing safe water. While the campaign has produced improvements in rural water supplies in all of the world's regions, the five-year study showed, it faces severe financial and technical constraints, high population growth rates and other problems.

The report provided these and other findings on the first three years of the decade:

• Asia had the greatest success in building rural water systems, with about 70 million rural people annually obtaining improved water. At the same time, the rural population grew by 15 million a year. If the trend continued and the commitment to construct and maintain water systems remained strong, the region would reach virtually full coverage by the year 2000.

• Rural water services in Latin America and the Caribbean were provided at a rate of three million people a year, twice the population

growth rate. If the same pace was maintained, all needs would be met until well into the next century.

• In Africa, the provision of improved rural water for 10 million people each year has just kept pace with the galloping population growth rate of about 3 percent a year and, if this continues, no more than half of the rural population will have access to an adequate supply of clean water by the end of the century.

Despite the less-than-favorable outlook for their continent, the people of Kwale, this district in the fertile southeastern corner of Kenya, wedged between the coastal city of Mombasa and the Tanzanian border, speak proudly of their progress.

Like participants in the hand-pump program in other parts of the globe, people here have used the project as a springboard to community development and the involvement of women in ways that go beyond their traditional roles. With support from the Swedish Interna-

tional Development Agency, local government officials and the Kenya Water for Health Organization, a nongovernmental group, women have established committees and opened bank accounts in preparation for taking over full responsibility for maintaining, repairing and replacing hand pumps.

The people of Kwale are learning, too, in lessons in sanitation and health education, that the availability of clean water alone is not enough to lessen the rate of illness.

A World Bank report suggests that about 80 percent of the enteric diseases experienced by people in the developing world are associated with not only unsafe water but also inadequate sanitation and poor personal hygiene. Hospital workers say that mounting awareness among villagers has led to an increase in both the use of sanitary pit latrines and efforts by women to insure that the clean water they take from the hand pumps remains clean in their homes.

# After 12 Years of War, Angola Talks of Phasing Out Cuban Advisers

By William Claiborne  
Washington Post Service

**CAHAMA**, Angola — Captain Carlos dos Santos, a self-assured young officer who walks with a swagger, had just completed a monologue in which he vowed that troops in his command would drive the South African Army out of Angola whenever it dared enter.

The world would hear the explosion, Captain dos Santos assured his visitors, and the Angolan Army would not need any help from Cubans or Russians.

"Do you see any foreign faces around here?" he asked.

As he stepped outside an officers' mess in Cahama, a bomb-scarred southern Angolan town, a car skidded to a halt in the dust and a Soviet officer, his face red with anger, barked an order to Captain dos Santos to feed his troops.

Then, warily eyeing several American journalists, the Russian roared away with a chastened captain at his side.

The brief episode underscored the sensitive relationship between a struggling army and the estimated 950 Soviet advisers and 37,000 Cuban troops stationed in Angola, whose civil war with U.S.- and South African-backed anti-communist rebels has ground on for 12 years.

There are increasing signs that President José Eduardo dos Santos may be prepared to negotiate with the United States over a phased withdrawal of Cuban troops in exchange for formal diplomatic recognition from Washington.

The withdrawal of Cuban troops from at least the southern provinces of Angola

is expected to be high on the agenda when leaders of the governing party, the MPLA (for Popular Liberation Movement of Angola), meet later this month in Luanda with Chester A. Crocker, the U.S. assistant secretary of state for African affairs.

Its economy paralyzed by the debilitating war with Jonas Savimbi's UNITA, or National Union for the Total Independence of Angola, the Angolan government hopes it can persuade Washington to cut off covert aid to the rebels and influence South Africa to cease its constant cross-border incursions.

Senior Angolan political and military leaders repeatedly said in interviews that they realized the guerrilla war could not be won militarily as long as the South African Army was poised just across the border in South-West Africa, or Namibia.

They also said Angola could not go on spending half its budget on the war while its economy is being held dry by falling oil revenues, food shortages and damage by UNITA to transport and services.

Despite wildly exaggerated claims by the rebels and the MPLA, there has been no major offensive by either side since the winter of 1985.

That was when the Angolan Army attacked Mavinga, the gateway to UNITA's headquarters at Jamba, in southeastern Angola. The troops were repelled at the last moment when South African forces intervened, according to senior Angolan officials and Western diplomats.

President dos Santos said in Luanda last week that he had no imminent plans for an offensive. He said claims by the

rebels that a major Angolan Army push toward Jamba was under way were attempts to get more U.S. aid.

Lieutenant Colonel Luis Falcão, commander of Angolan forces in the southern provinces of Huíla, Cuanene and Namibe, said at his headquarters in Lubango that his last big attack against UNITA was in December near Chingongo, where he said 120 rebels were killed.

The last big engagement with South African forces, he said, was on Jan. 26, when an Angolan force of 60 men attacked

to prevent UNITA guerrillas from mounting attacks farther north.

These operations, he said, include organizing village militias and arming them so that the estimated 1,200 UNITA guerrillas operating in the three provinces will have to mount larger, and more easily traceable, guerrilla patrols as they seek new economic targets to attack.

Most of UNITA's economic targets, officials said, are rural transport systems, power plants, wells, schools and clinics.

UNITA is said to have 28,000 regular

troops and 35,000 guerrillas, most of them in the far southern corner of Angola. The government's strategy has been to try to push the rebels into the sparsely populated area, where they are less of a threat.

Angolan officials and foreign diplomats said the army was unwilling to start a major offensive against Jamba because it knew that to do so would invite major South African retaliation.

Angolan officials and Western relief workers who travel extensively in the war zone said the UNITA guerrillas' primary strategy was to cripple rural transport by planting thousands of road mines, supplied by South Africa, and to raid rural villages in search of food and in an attempt to intimidate residents.

The strategy has had a large measure of success. The southern provinces are unable even to move grain, needed food northward to Luanda because of the lack of road mines.

This has taken an enormous human toll: 15,000 war-torn civilians, most of them, mostly from land mines and an estimated 690,000 displaced people, Western relief workers say.

Grand Maroon, who travels extensively in the rural areas for the United Nations Development Program, said he was increasingly encountering cases in which UNITA guerrillas have planted mines in fields to discourage people from harvesting their crops.

While independent military analysts discounted as propaganda many of the claims of military victories issued almost daily by the rebels' office in Luanda, they said they regarded the guerrilla group as highly motivated, a force that for 12 years has vexed the combined strategies of the Soviet and Cuban advisers.

Armed with U.S.-supplied Stinger missiles, Mr. Savimbi's forces have shot down a number of Soviet-made aircraft and have made Angolan air bases increasingly precarious. Soviet Aeroflot planes off from as far north as Ljubljana, taking off from the airport's air-defense system until they reach a safe altitude.

UNITA's success in paralyzing Angola's economy, said Western officials, has heightened the role of the Cuban troops and Soviet advisers.

Angolan officials insisted, and Western diplomats confirmed, that the Cubans generally had not been involved in direct combat roles for at least five years.

They appear to be engaged in air, land and logistics operations, as well as in some systems, in protecting major military bases and Luanda, and in providing education and health services.

Angolan officials scoffed at the claim by General Rafael del Pino Díaz, a Cuban who recently defected to the United States, that the Cubans had killed 10,000 casualties in Angola during 12 years of war.

A senior Western diplomat in Luanda also said the figure appeared to be unrealistic, given the Cubans' noncombatant role for so many years.

Still, the Cuban and Soviet presence sometimes seems pervasive in a visit to Lubango's airport, a constant stream of Aeroflot transport planes, loaded with cargo, including air-to-air missiles, were quickly unloaded by Cuban and Angolan troops.

Also at Lubango, Cuban and Angolan pilots chatted with one another before climbing into MiG-23 fighters and taking off in pairs for what appeared to be training flights.

The scene at Luanda's airport was similar, with long lines of Aeroflot transport planes waiting to take off.

U.S. intelligence sources estimate that the Angolan Army has sent \$1 billion worth of weapons to Angola in the past year, though troops and Soviet advisers.

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# West Offers Dual Talks On Security In Europe

**VIENNA** — Western nations presented the 35-nation European security conference with a proposal on Friday calling for two separate sets of future talks on conventional arms.

One set of talks would involve all 35 members of the Vienna conference, known as the Conference on Security and Cooperation in Europe. A second set of negotiations would take place between the 16-nation North Atlantic Treaty Organization and the 7-nation Warsaw Pact.

The proposal removed a major obstacle to preparation of a final document for the conference, which began here in November and is certain to run beyond the planned finishing date of July 31. The obstacle involved France's desire to ensure that negotiations on conventional arms be held within the 35-nation framework.

The draft proposal includes:

- An "understanding" by participants that a separate set of negotiations on stabilizing conventional forces would take place between NATO and the Warsaw Pact.
- An agreement to build on the Stockholm conference, which ended in September, to adopt confidence-building measures "designed to further reduce the risk of military confrontation in Europe."

A Western diplomat said the proposal offered Friday "will bring us to the starting line. Up to now the yachts have just been maneuvering around each other."

Western Zeman, who leads the U.S. delegation, emphasized that the proposal was important. "The United States," he said, "believes it can point the way to a major reduction of the threat posed by conventional arms, a threat which has led twice in this century to wars which have ravaged the continent of Europe and decimated the population of most of the states represented here."

The Vienna conference is a follow-up to the 1975 Helsinki accords on security, economic cooperation and human rights.

France, which belongs to NATO but remains outside its integrated military structure, strongly resists talks limited to the two military alliances.

The proposal Friday stipulated that the participants in talks between NATO and the Warsaw Pact would hold periodic meetings to brief the remaining 12 neutral and nonaligned states belonging to the Conference on Security and Cooperation in Europe.

The compromise between France and NATO over the issue was worked out at a meeting of alliance foreign ministers in Reykjavik last month.

The mandate for the talks on conventional arms has been discussed by the 23 NATO and Warsaw Pact nations at informal meetings every Monday.

On June 22, the Soviet Union offered a draft proposal for talks on reducing conventional forces among all 35 conference states. NATO opposed the proposal on the ground that involving neutral and nonaligned states would complicate matters.

Both NATO and the Warsaw Pact have asserted that the numbers of troops in Europe should be reduced. Both blocs called last year for new talks covering conventional forces "from the Atlantic to the Urals."

## AMERICAN TOPICS



**GONE FISHIN'** — Vice President George Bush took time out from a Western presidential campaign swing to try some trout fishing on the Salmon River near Zig Zag, Oregon. He was to fly to Seattle later to address a group of young Republicans.

### Japanese-American Relates How It Was

Representative Robert T. Matsui, Democrat of California, gave his testimony to a House of Representatives subcommittee on legislation that would compensate Japanese-Americans interned by the U.S. government during World War II.

"My grandparents came from Japan in the 1890s. So we really were American citizens when this happened, and we were loyal American citizens as well. My father started his own business with his brother. They had a little produce business on 16th and North B Street in Sacramento."

### Short Takes

**CPC International Inc.'s** enmeshment is known as Hellman's east of the Rocky Mountains. Best Foods brand went of them, although the two are identical in everything but name. Even the advertising is the same, right down to the "bring out the best" jingle. Similarly, McCormick & Co. sells McCormick black pepper east of the Rockies and Schilling black pepper to the West, although the containers and contents are the same. Edy's ice cream in the East is Dreyer's in the West: same company, same contents. The separate brands got their start through long-ago corporate mergers. Product differences disappeared but the names were kept separate. Executives say that dropping familiar brand names would mean a loss of sales.

**More and more unmarried or widowed men in middle age** are being ordained as Catholic priests in the United States. About 35 percent of the 3,800 men in Catholic seminaries are 31 or older, about five times the proportion 20 years ago, according to the U.S. Catholic Conference. Church officials are not certain what to make of the trend. The Washington Post reports, but for now the church has

little choice but to embrace them, given that two priests are dying or leaving for every one who is ordained.

**Senator Wendell H. Ford**, a Kennedy Democrat who never graduated from college, finally got a college degree the other day at the University of Hard Knocks. The Phillips, West Virginia, institution, whose academic colors are black and blue, has awarded more than 600 degrees over the past 30 years in ceremonies on the campus of Alderson-Broaddus College. The diplomas are sealed with a Band-Aid.

**American life expectancy** has reached 75 years after holding steady for two years at 74.7, according to the Metropolitan Life Insurance Co. A girl born last year can expect to live to age 78½ and a boy to 71½.

**Shorter Takes:** Now that Kansas, after a century of prohibition, has approved the serving of liquor by the drink at the option of individual counties, the practice remains banned by only two states, Utah and West Virginia.

**American consumers** consume 800 million quarts (756 million liters) of popcorn a year, according to the Chicago-based Popcorn Institute. Popcorn today accounts for 40 percent of all movie concession food sales. A printer was arrested in Yuba City, California, for running off more than \$2 million in fake bills while his family slept. "I am not a crook, per se," said Claude Eddie Blagg, 45. "I don't know, maybe it's a mid-life crisis."

—ARTHUR HIGBEE

# Marcos Tapes May Reward 2 Americans

**WASHINGTON** — Two Americans who secretly recorded remarks by Ferdinand E. Marcos, in which he attempted to buy a weapons stockpile and said he would invade the Philippines, have a contract with the Philippine government granting them a percentage of any assets that are recovered, one of the men, Richard Hirschfeld, said Friday.

"I saw a business opportunity in it," said Mr. Hirschfeld, a lawyer. "I know that sounds terrible."

On the tapes, made public in Washington and in Manila, Mr. Marcos said he had a stockpile of gold hidden in the Philippines.

Mr. Hirschfeld said Robert Chastain, an associate of his who posed as an arms dealer in the taped conversations with Mr. Marcos, the former Philippine president, also was guaranteed a financial reward.

Mohamed al-Fassi, a Saudi businessman who is a client of Mr. Hirschfeld, was promised a Philippine diplomatic appointment, Mr. Hirschfeld said.

The Philippine government of President Corason C. Aquino has promised a 10 percent reward of any amount recovered to anyone who helps recover what it has called a multibillion-dollar "hidden wealth" stolen from the Philippines by Mr. Marcos.

Mr. Hirschfeld said he and his associates insisted on negotiating a contract with the Philippine government that spelled out the terms of their assistance.

The tape recordings, secretly made by the two men, were played at a congressional hearing in Washington on Friday. In them, Mr. Marcos told the two men about his hidden wealth and spoke of a coup he was plotting to return to power.

Mr. Marcos told the men he had 1,000 tons of gold worth \$14 billion hidden in the Philippines and between \$500 million and \$1 billion in Swiss bank accounts.

The original tapes are now in safekeeping in Geneva, Mr. Hirschfeld said, and will be turned over to the Philippine government once documents are received that confirm the appointment of Mr. al-Fassi as Philippine counsel general to Saudi Arabia.

Mr. Hirschfeld called the post "really just an honorary appointment for recognition of assistance."

Mr. Marcos was hoping to borrow up to \$25 million from the Saudi businessman to finance his planned coup.

Mr. Hirschfeld refused to disclose how much he and Mr. Chastain expected to receive from the Philippine government, but he said they were guaranteed a percentage that was less than 10 percent.

The United States on Friday warned Mr. Marcos that it would detain him in a cell if he did not stop trying to overthrow Mrs. Aquino.

A spokesman for the Philippine Armed Forces, Colonel Honesto Isleta, said the military did not take seriously statements by Mr. Marcos saying that he planned to assemble an invasion force of 10,000 men armed with \$25 million worth of high-tech weapons, Stinger missiles and tanks to seize power in Manila and take Mrs. Aquino hostage.

In Manila, the official in charge of finding the assets of Mr. Marcos on Friday scoffed at Mr. Marcos' recorded claim that he had a hidden treasure trove.

"We believe that he is bluffing and no treasure exists," said Ramon Diaz, chairman of the Presidential Commission on Good Government.

# Prosecutor Says Greed Prompted Deaver to Lie

**WASHINGTON** — Michael K. Deaver, a friend and former aide to President Ronald Reagan, lied to Congress about his lobbying business to protect his ability to make "millions of dollars of income for relatively little work," according to the special prosecutor in the case.

The prosecutor, Whitney North Seymour Jr., said Thursday in court papers that Mr. Deaver knew that "truthful testimony would end all chances" of selling his lucrative lobbying business for millions of dollars.

Mr. Deaver, a former deputy chief of staff to the president and a close friend of Mr. Reagan and his wife, Nancy, is scheduled to go on trial next week on charges that he prepared himself before Congress and a grand jury that was investigating his lobbying activities. He has pleaded not guilty.

Mr. Deaver is charged with two counts of lying to the House Energy and Commerce subcommittee on investigations and three counts of lying to a grand jury.

The two panels were investigating Mr. Deaver for possible violations of the Ethics in Government Act of 1978, which limits contact between former government officials and agencies that employed them.

Mr. Deaver, who left the White House in 1985, was not charged with violations of the ethics law, but Mr. Seymour said, "The proof at trial will show that all the surrounding facts suggested Deaver engaged in numerous potential violations of the statute."

The prosecutor said Mr. Deaver "knew that truthful testimony would reveal not only potential violations of the Ethics in Government Act" but also "violations of White House policy on post-employment contacts."

He said Mr. Deaver had also perjured himself because he knew that accurate testimony "would directly jeopardize his lucrative client contracts, which generated income ranging from \$100,000 to \$475,000 per year."

The prosecutor repeatedly said in the documents that greed had motivated Mr. Deaver to lie.

Mr. Seymour noted that on May 16, 1986, when Mr. Deaver testified before the House subcommittee, he was "at the tail end of negotiations" with Saatchi & Saatchi "to



Michael K. Deaver

sell his 12-month-old 'consulting' business for a sum which could reach \$18 million."

"This bonanza was placed in jeopardy" by the hearings and the impending grand jury investigation, the prosecutor said. In the end, Mr. Deaver did not sell his business to Saatchi & Saatchi, a British advertising company.

# PANAMA: Troops Move In on Anti-Noriega Protesters

**(Continued from Page 1)**

Noriega's adversaries by identifying them as allies of Washington.

But later many Panamanians said privately that they appreciated the resolution, which called for a full airing of the accusations against the general by his former second-in-command, Colonel Roberto Diaz Herrera. These include murder and election-rigging.

The Senate action strengthened the unity of one group supporting General Noriega: the 20,000-member military and police forces. A

top officer, who spoke on the condition that he not be named, said the officer corps viewed the resolution as "political violence" against Panamanian sovereignty.

General Noriega's troubles with the United States date from mid-June, when a former Panamanian ambassador to Washington, Gabriel Lewis, tried to mediate between the opposition and the military.

After he was threatened by top military officers, Mr. Lewis fled to Washington and lobbied effectively for a strong Senate resolution.

The Noriega backers accused Mr. Lewis of conspiring on behalf of unnamed "ultraconservative forces" in the United States to overthrow General Noriega and revoke the 1977 treaties that turn control of the canal over to Panama.

The existence of such a plot, which was dismissed as fantasy by many Panamanians, is widely believed in by followers of the military's Democratic Revolutionary Party.

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# Attacker Injures Goetz Lawyer in N.Y.

**NEW YORK** — Barry I. Slotnick, the well-known lawyer whose clients have included Bernard H. Goetz, was attacked and injured outside his office in lower Manhattan by a man who fled on a motorcycle, the police said.

Mr. Slotnick's left wrist was fractured, and he received minor injuries to the right arm and lost his watch in the attack on Thursday. He was treated at a hospital and released.

The police, noting that Mr. Slotnick had represented a host of controversial figures, from Mr. Goetz

to reputed Mafia members, said it was unclear whether the attack was a simple robbery or whether the assailant might have known his identity.

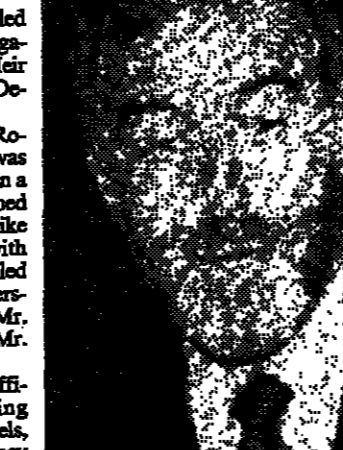
Mr. Slotnick, 48, later said he had no idea about the motive. "I didn't see who did it," he said. "I was hit from behind. It could possibly have been a mistake."

Mr. Slotnick gained wide recognition as the lead attorney for Mr. Goetz, who was acquitted last month of attempted murder in the shooting of four young men on a subway train in Manhattan in 1984.

His other clients have included Joseph A. Colombo Sr., an organized crime figure, and Rabbi Meir Kahane, leader of the Jewish Defense League.

According to his chauffeur, Roberto DaSilva, Mr. Slotnick was about to enter his limousine when a man wearing a helmet approached him. The assailant began to strike Mr. Slotnick on the right arm with a wooden stick or tube but fled with an accomplice when passers-by approached, according to Mr. DaSilva. The chauffeur took Mr. Slotnick to the hospital.

A crowd of reporters, police officers and onlookers, including members of the Guardian Angels, gathered outside the emergency ward of the hospital, seeking word of Mr. Slotnick's condition.



Barry I. Slotnick

# U.S. Assails Soviet on Arms

**WASHINGTON** — The United States contended Friday that the Soviet Union was unwilling to negotiate on arms control or set a date for a meeting between Secretary of State George P. Shultz and Eduard A. Shevardnadze, the Soviet foreign minister.

The criticism was made by the State Department spokesman, Charles E. Redman, after Mr. Shultz met for nearly an hour with the Soviet ambassador, Yuri V. Dubinin.

"If the Soviets are willing to move, so are we," Mr. Redman said.

But he left the clear impression that expectations for a meeting between Mr. Shultz and Mr. Shevardnadze in coming weeks had vanished because of a lack of progress at the Geneva talks on limiting U.S. and Soviet nuclear weapons.

"The Soviet Union, Mr. Redman said, seems to be drawing back in the last week or two from what we would consider a constructive or positive approach to address some of the tough issues that are out there."

"For the last couple of weeks

their negotiators have been unwilling to talk," said a U.S. official, who did not want to be identified. "They just don't have instructions."

About a month ago, the Soviet Union offered a compromise to clear the way for a treaty that would lead to a mutual elimination of medium-range nuclear missiles. "But now they are backing off," the official said.

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Germany* D.M.	580	320	175	D.M. 1.11	D.M. 404
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Greece Dr.	22,000	12,000	6,600	Dr. 49.56	Dr. 18,040
Ireland £.Ir.	150	82	45	£.Ir. 0.29	£.Ir. 106
Italy Lire	380,000	210,000	115,000	Lire 756	Lire 275,200
Luxembourg L.Fr.	11,500	6,300	3,400	L.Fr. 18.41	L.Fr. 6,700
Netherlands Fl.	650	360	198	Fl. 1.21	Fl. 440
Norway* N.Kr.	1,800	990	540	N.Kr. 3.05	N.Kr. 1,110
Portugal Esc.	22,000	12,000	6,600	Esc. 64.56	Esc. 23,500
Spain* Ptas.	29,000	16,000	8,800	Ptas. 55.33	Ptas. 20,140
Sweden* S.Kr.	1,800	990	540	S.Kr. 3.05	S.Kr. 1,110
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## Who's Laughing Now?

### Quite Some Joke

Oliver North presented on Thursday as the "ultimate irony," and as a great trick played on Ayatollah Ruhollah Khomeini, that Iranian money had ended up paying for the Nicaraguan resistance. There was a certain nodding of heads in the congressional hearing chamber, but this really cannot be allowed to stand. For it was precisely President Reagan's ill-fated attempt to buy back American hostages by sending arms to Iran that launched the fiasco now being unraveled on Capitol Hill.

True, a great trick was played. But it takes an extraordinary, almost willful blindness not to realize, especially at this late date, that it was played not by the clever, self-congratulating men in the Reagan administration but by none other than Ayatollah Khomeini. The Americans are still fixating that some of his funds were diverted to the Nicaraguan Contras. But the ayatollah has had himself the stuff of a belly laugh.

Recall that President Reagan insisted he would not negotiate with terrorists, and that he organized an international arms embargo against Iran. Suddenly the United States is sending its emissaries to arrange the dispatch of extremely valuable American missiles for use in Iran's invasion of Iraq, whose support has become a principal American objective. The United States is even accepting the humiliating requirement of proving its good faith to Tehran.

The ayatollah lets one or two hostages dribble out but immediately sees to the replenishment of the supply — new live hostages are quickly found and seized. Stuningly, he finds that even when he does not deliver up hostages, he still gets arms! And not only has he invented a kind of perpetual motion arms-supply machine. He has also taken a considerable political hostage: the story of the secret American dealings is his to divulge. The convulsions unleashed when he does divulge it are, of course, still in train.

Colonel North is quite right when he declares that there is an "ultimate irony" here. But the real "ultimate irony" is that the American perpetrators of the Iranian gambit still do not realize that the United States was skinned. Imagine: The United States has been embarrassed in front of Arab moderates and European allies, its policy on terrorism has become a mockery, it has given palpable aid and comfort to a detested regime that is penetrating the territory of a friendly state, the Reagan presidency has been catapulted into unprecedented crisis, and Oliver North, a loyal soldier, sits before Congress and reports smugly that he and his undercover colleagues pulled off a brilliant coup.

—THE WASHINGTON POST.

### What About Them?

Oliver North is unwilling to call himself a hero. The six rows of decorations pinned to his uniform, he said on Thursday, represent the heroism of marines who served under him. At the same time, the lieutenant colonel is also unwilling to have something much heavier pinned on him: the blame.

The telegenic officer who coordinated the Iran-contra affair has been straddling two purposes in the joint Senate-House hearings. One is to demonstrate that he is a stand-up soldier who can take the heat. The other, however, is to assure that he is not also a fall guy. So far he has managed to keep his purposes from colliding.

He voices almost reverential respect for the president. He only "assumes" presiden-

tial knowledge. He professes admiration for senior administration officials. He describes loyal, tireless service that some would call admirable devotion, others hot-eyed zeal. But there is a limit.

Arthur Liman, a committee lawyer, asked him on Thursday whether he was not supposed to do everything possible to help the Contras, law or no law, but in a way that did not "infect other people with knowledge?"

A. "Unnecessary knowledge" is the term. Q. You do it, you provide the deniable link. You take the rap if it gets exposed. That was what this was all about, right?

A. I do honestly believe that they expected that Ollie would go quietly. And Ollie intended to do so, right up until the day that somebody decided to start a criminal prosecution.

At that point, the committee seemed to be practicing political jujitsu. It was trying to turn to its advantage the appalling impression that Colonel North seemed to be making on television. If it was "they" who set him up, it is "they" who should be blamed for his predicament, not the committee.

Colonel North's appearance so far has brought other moments of high interest. One involved the diversion of money from Iran's payments for arms to the Contras in Nicaragua. To Colonel North, this diversion was truly something to chortle about, "a neat idea." The late William Casey, director of central intelligence, agreed that it was "the ultimate covert operation."

This diversion, whose discovery so stunned America last fall, is the core transaction that President Reagan denies knowing about. How Mr. Casey could have refrained from sharing this delicious stunt with his close friend the president is a question not yet answered.

Congress may never learn the answer, but, as the committee made clear, the joke was on the United States. The diversion was accomplished not with the ayatollah's money but with funds that would otherwise have gone to the government.

In a dramatic moment on Wednesday, Colonel North finally replied to attacks on his personal integrity. He admits — as he must, considering the evidence — that it was a gross error to accept a \$14,000 home security system and then try to cover up the transaction. His claim that he could not obtain official help in guarding his family against threatened terrorism bears further inquiry. As for using contra aid money for personal purchases, he said he was only reimbursing himself for personal contributions to the depleted contra aid fund.

In other respects, he seemed to lose ground — with his dramatic insistence, for instance, that he had a patriotic duty to lie to Congress, obstruct an attorney general's inquiry and shred embarrassing documents. Senator Daniel Inouye, no less a military hero than the witness, shattered the colonel's suggestion that it would endanger lives and compromise secrets to tell Congress the truth about covert operations. There have been no committee leaks, Senator Inouye noted, nor were there any when he headed the Senate Intelligence Committee.

Colonel North has been adept at spreading blame without implicating the president. He has implicated, without seeming disloyal, two national security advisers, a CIA director, a secretary of state and others. The cliché question of the hearings is what the president knew and when he knew it. To judge by Colonel North's testimony so far, that is premature. There is a prior question, concerning an array of senior officials serving the president. What did "they" know and what did "they" do about it?

—THE NEW YORK TIMES.

## Showboating on Subsidies

In a grand and sweeping gesture, the Reagan administration proposes to end just about all its enormous farm subsidies — if Europe and Japan do the same. The administration is showboating. The chance of actually getting a binding international agreement to do that, or anything remotely similar to it, is vanishingly small.

This kind of posturing is only likely to deflect the serious negotiations on farm subsidies that are getting under way. That is unfortunate, because all of the rich countries are spending far more than they want or need to spend on their farmers, and there is a useful deal to be struck.

Under the Reagan administration the subsidies have more than doubled, mainly because of the overgenerous farm bill in 1985. In Europe, farm subsidies are pushing the Community into a financial crisis. For the last several years America and the EC have been throwing more and more money into their frantic efforts to offset and outbid each other's subsidies as they struggle to dump their farm surpluses onto world markets. Together, the United States and the EC will spend \$50 billion this year on farm subsidies. But total abolition of subsidies is the wrong goal, and American attempts to press for it will only block progress toward the kind of money-saving bargain that is now possible. It is not only that, as everybody knows, farmers are voters who make

political trouble for governments that forget them. It is also that many city dwellers are uneasy about their food supplies and want their governments to guarantee them. Japan is a densely inhabited island that remembers World War II, and Japan's governments will continue to support rice at whatever cost is necessary to ensure that at least a survival ration is grown at home. West Germany, currently blocking the attempt to rationalize the Community's crazy agriculture program, is a country in which people were literally starving 40 years ago. Things have got badly out of hand there, as they have in America, but not many countries will choose to leave their basic food supply to the vagaries of world markets.

But how about an agreement to cut out all the export subsidies? They represent true waste. Along with them, how about the indirect export subsidies that are responsible for the surpluses that cannot be sold except by dumping them abroad? Subsidizing farmers' incomes is a useful social policy, but the export subsidies are turning into an expensive scandal worldwide. As governments in America and elsewhere struggle to cope with the soaring costs, there is a chance at last to bring export subsidies under control. It should not be lost in a campaign to eliminate all farm supports, an idea that is neither realistic nor desirable.

—THE WASHINGTON POST.

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## OPINION

## Not Yet The Seventh Day's Rest

By Flora Lewis

PARIS — Anniversaries and commemorations don't intrigue me as much as new things happening. So I didn't stop to think what the 20th anniversary of the six-day Arab-Israeli war meant until I read the article "My Neighbor, My Enemy" by Thomas Friedman in last Sunday's New York Times Magazine.

It brought floods of reminiscence and a terrible recognition. Mr. Friedman summed it up in saying, "The last 20 years have been nothing more than the seventh day of the six-day war."

I have vivid memories of the mounting crisis, the endless negotiations for war in Cairo and Amman, then the week of levities from the Israeli side. It is my favorite boast that I was the last person through the Mauthausen gate, the sole passage across divided Jerusalem, the night before the war started. But my point here is not to retell war stories; it is the postwar stories that matter.

In the spring of 1968, I went again to see how things had changed. After getting some addresses from people in East Jerusalem, I made a quick tour of the West Bank. I chose to go alone, trading off levities from the Israeli side. It is my favorite boast that I was the last person through the Mauthausen gate, the sole passage across divided Jerusalem, the night before the war started. But my point here is not to retell war stories; it is the postwar stories that matter.

Things were tenuous in Nablus, where Israeli soldiers were running up schoolgirls who chose to demonstrate defiance with a better chance of safety than if the task were left to men and boys. A woman schoolteacher spoke about it with passionate intensity. Later she was deported to Jordan.

But others, especially nobles, spoke with both resignation and hope. At one house in the countryside, a family of headstrong talkers of new opportunities and optimism. They had been refugees in 1948 but had re-established themselves in comfort.

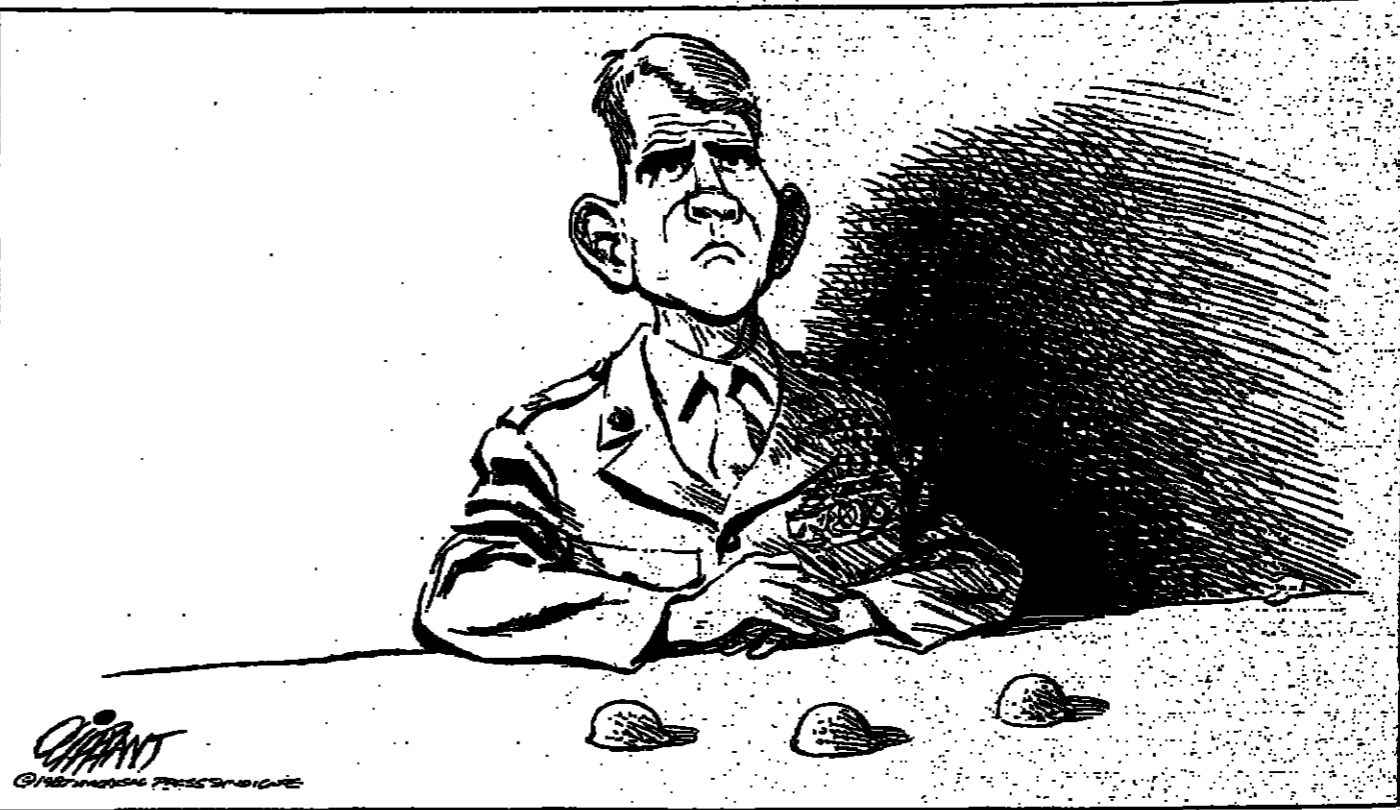
The son, a well-educated son in his 30s, told how the Israeli occupation had made it possible for him to go back and inspect the family's old fields, which they had expected the war would enable them to recover. "I found our bean fields had become an aircraft factory," he said. "I understand now that there's no reversing 1948; Israel is here to stay. But we need to settle this. I can't live. I can't please my children with all this uncertainty of the future." He was ready for peace and mutual recognition.

That evening, I drove back for dinner at Herzliya at the home of the man who is now president of Israel. His wife was surprised that I had spent the day wandering around the West Bank. Few besides Israeli soldiers ventured there, and not alone. It had not occurred to me to be frightened, or even that the Israeli plates on my rented car marked me "from the other side" of the green line. In those days the line wasn't ink on a map, but literally where intensive Israeli farming and modern irrigation stopped and the dry landscape, unchanged since biblical days, began.

But just before I crossed back, I knew great fear. I was on a straight, narrow road, not wide enough to turn around. Ahead I saw a man by the roadside bend down to pick something up as he drove past. My knees jiggled. I felt the blood in my veins. I had to hold tightly to the wheel and I had control of the car. There was no one else anywhere around. I had time to think, and I decided there was no choice but to drive on, as fast as possible. As I approached, the man stood up and held out — not the gun I was dreading, nor a rock, but a bouquet of wildflowers he apparently wanted to sell. I was miserable. Stopping, but the relief was gone. Fear often comes at the writing time. Last year a woman motorist was killed by a grenade tossed from the roadside.

In 20 years, a new generation has reached maturity, and history has moved. Much has changed. No physical barrier divide Jerusalem, yet, as Mr. Friedman says, each inhabitant is aware of his neighbor's geography. The people are no longer geographically separate. Peace has come to a stalemate, sacrifice that too few are likely to make, no longer the shining hope of 1967. Anwar Sadat rejected Camp David. The "three no's" — no war, no settlements on the West Bank, and no ending occupation — were the Arab and Jewish "red lines" for the right to Palestine as a nation. It is not accepted. The "three no's" are Friedman's words. The Arab house will never be a house. It will be a fortress. And so the seventh day, a year, a generation, of war is usual, and then, every year, the floodwaters, but without rest.

The New York Times



## For Our Five Billionth, a Caring, Planning World?

By Perdita Huston

"There is never any rest; I'm tired all the time. We're poor and the fields are too small to provide for us. I want to give my children what they need — love and attention, schooling, a better life than ours, but if I have more children, life will be worse. I want to stop childbearing."

Her desire to plan her family meets two obstacles. The first is the lack of nearby family planning services. She would have to travel many miles to

**If these countries are to meet the demographic challenge, family health and family planning programs must become a priority — and Adouma's husband a convinced client.**

obtain contraceptives. The second, an attitudinal barrier, would prevent her from using them.

Because her husband associates her fertility with his virility, he takes pride in each pregnancy as proof of his manhood. Like that of millions of other women, Adouma's security — from divorce and social disgrace, polygamy and physical violence — depends on pleasing her husband. If husbands want more children, wives will have them, even when it means more fatigue and malnourishment.

While Adouma remains trapped by society's customs, her country struggles with a demographic explosion that consumes its financial and natural resources faster than development or nature provide. In dozens of countries the natural-resource base is overexploited to finance development and to feed growing numbers. Loss of forests, waterways

and fertile soils reduces the land's carrying capacity and threatens millions of plant and animal species with extinction. Coping with growing human needs strains minimal services, jeopardizing national debt and endangering political stability.

If countries are to face the demographic challenge realistically, family health and family planning programs must become a priority — and Adouma's husband a convinced client.

If the world community is to stabilize population growth rates, reverse environmental degradation and restore economic viability, daring leadership is essential at all levels — at the village level, to help Adouma's husband understand responsible fatherhood; at the national level, to provide comprehensive health and family planning services; at the international donor level, to provide the required financial and technical backing.

Among donor nations, the United States was an early leader in support of family planning programs. Under the Reagan administration, however, family planning aid has fallen hostage to the ambitions of politicians who disregard the needs of Adouma in favor of the votes of so-called pro-family activists.

"Pro-family" in their vocabulary means opposed to family planning. Contraceptives are their enemy, not ill health, poverty and despair. They would deny choice to Adouma, condemning her to bear more malnourished and illiterate children. Only caring statesmanship will reverse the Reagan tide and return the United States to its position of responsible player in the world's demographic future.

The five-billionth child is here. Today we celebrate its birth. The job now is to see that the children who follow have the most basic of human rights: that of being wanted children.

The writer, author of "Third World Women Speak Out," is coordinator of the Population and Sustainable Development Program at the International Union for the Conservation of Nature and Natural Resources. She contributed this column to the International Herald Tribune.

## Compassion Fatigue, as Refugees Drift Northward

By Richard Reeves

PARIS — There is a nation out there as big as Australia. The people are scattered and hard to find sometimes. It is a country of refugees, up to 15 million of them.

It seems very far away now, but they are coming our way. Refugees have usually been a problem of the poor countries of the Southern Hemisphere, but all that is changing now. It's an official of the United Nations High Commission for Refugees. He was tired and leaving the job, a case of what is known as "compassion fatigue" in that business.

"So we have learned how to set up giant refugee camps. It's an organizational and supply problem — bring in water, food, sanitation, doctors."

"The refugees would eventually drift home when the war stopped or the rains started. But now it's different. The problem is going to be in the airports of New York and London and Paris. We don't know how to deal with that — if we can at all."

The problem of the world's economically and politically displaced (mostly the former) is moving north — because the people themselves want to resettle in rich countries and

are beginning to learn how. The compassion community, led by the UNHCR, is competent in countries of "first asylum." Starving Ethiopians come into Sudan and the world has a helping hand. But the compassionate rich countries are now being targeted as "countries of final destination," and they want no part of large numbers of refugees from Sri Lanka or Cambodia or El Salvador.

You can see what is beginning to happen almost anywhere in the world. The United States, the United Kingdom, West Germany, France, Switzerland, Belgium and the Netherlands have all recently passed laws or instituted regulations designed to make it easier to refuse entry for Third World refugees and immigrants — or to deport them if they manage to get in.

Britain shows how the world is working. Twenty-seven years ago, before the Berlin Wall went up, the United States was accepting 1,000 refugees a day who were fleeing East Germany, most of them crossing from East to West in the city. The refugees of 1960 were skilled, white, German-speaking. Now

West Germany is doing everything in its power to block East Germany's cynical trade in Third World refugees. The East German government has been, essentially, selling visas to displaced Asians and Africans, who can use the papers to walk into the West.

The primary travel-document business is booming around the world. When I was in Malaysia, recently, Kuala Lumpur police closed in on a ring selling false Malaysian passports for up to \$5,000 each to Tamils fleeing the violence of Sri Lanka. The forgers escaped, however, and apparently are now operating in Thailand — servicing a displaced Tamil population roaming the world on tourist visas until they can find a way to get into the United States or Europe.

The world is more mobile now than it was in the 1930s, when many of the present refugee organizations were established to help the Jews who were fleeing Europe. The new refugees who have little money — Sri Lankans, Iranians and Afghans — use it to buy airplane tickets and documents just good enough to fool the

overworked people at international airports. It is a different world than the refugee camps and displaced-person centers of recent memory.

Camps still exist, of course, particularly in Pakistan, where more than 3 million of 5 million people displaced by the war in Afghanistan are housed in mud huts and tents. (The other 2 million are concentrated in Iran.) The news is booming around the world. When I was in Malaysia, recently, Kuala Lumpur police closed in on a ring selling false Malaysian passports for up to \$5,000 each to Tamils fleeing the violence of Sri Lanka. The forgers escaped, however, and apparently are now operating in Thailand — servicing a displaced Tamil population roaming the world on tourist visas until they can find a way to get into the United States or Europe.

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## The Hopeful Trip Can End in a Locked Boxcar

FEW outsiders can imagine the desperation that drives 19 men to allow themselves to be locked into a boxcar for a train ride through Texas on a sweltering summer night. Clearly, the smuggler responsible for locking the men in the car should be brought to justice. But that is not enough.

All but one of those Mexicans — he was saved on July 2 — died ghastly deaths. Americans should not view this case as an aberration in a picturesque story of young workers leaving their homes to search for opportunity. Death is not uncommon among the thousands of migrants who travel every day through the U.S. Southwest, walking through deserts, hiding in trucks and bused. The extraordinary aspect of the case at Sierra Blanca is that so many died at one time.

The ultimate responsibility for the 18 deaths lies in both countries. Little attention has been paid to the welfare of the migrants on either side of the border. The Mexican government has been concerned with keeping the "escape valve" open, fearful of the consequences to the economy if these laborers stayed at home. Protection of their human rights gets little government attention beyond state rhetoric.

On the U.S. side, the migrants are portrayed as a menace that must be restricted by coercive legislation, while employers take advantage of the Mexicans' vulnerability to fill low-wage jobs that Americans won't take.

Decades ago Mexico embarked on a policy of economic development that neglected the interests of rural peasants. The idea was that industrial progress would cause sufficient growth to employ peasants in factories as they moved to the cities. That never hap-

pened. The result was immense wealth for a few and a growing urban middle class demanding affluence and comfort. The countryside stagnated, and employment opportunities in the cities never matched the numbers seeking jobs. Incapable of offering a piece of the pie to everyone, development planners and wealthy businessmen were content to see peasants go to the United States in search of work.

The men in the boxcar, now famous in death, stand out for a moment from the faceless, nameless mass of young Mexicans for whom opportunities at home are few and the ultimate freedom is in emigrating.

A million youngsters will join the Mexican labor force each year for the rest of the century. More than half the country's current population of 80 million is under 15 years old. Although every official in the Mexican government knows these statistics and uses them in speeches, economic policies are aimed not at job creation

but at rebuilding a debt-laden economy that benefits only a few.

The powerful neighbor to the north must assume its share of the blame. Fearful of a "silent invasion," it has named the Mexican immigrants into quasi-criminals who must be hunted, seized and expelled. The Texas death made clear that many will take what ever risk they think necessary to get the U.S. jobs that are still available.

Nor has the United States been sympathetic in any substantial way to the economic troubles in Mexico. The inability of the two countries to look at the tragedy of the migrants' fate has aided the creation of a hideous criminal subculture that profits in shipping human cargo across the border. The "coyotes" — smugglers — deliver the migrants to an underworld of prejudice and human rights violations in the United States.

—Adolfo Aguilar Zinser, a columnist for the Mexico City daily *Uno Más Uno*, in the Los Angeles Times.

## The Refugees Shame a World in Disarray

THIS is the Age of the Refugee. Never before have so many people been displaced from their own countries. Many have lived outside their own lands for a generation or more. And the prospect is that they and their children will live as aliens for the rest of their lives, often in appalling conditions.

The refugee question is one that cries out for attention, in part at least because it has become a thorny political issue. The problem of the Palestinians poisons the plight of the Palestinians, most of whom fester in camps in Lebanon, as the blindspots against Israel, but refuse to give asylum to Palestinian refugees, as the countries of Southeast Asia profess sympathy for Vietnamese, Cambodians and Laotians who have fled the horrors of Communist regimes, but apart from the Filipinos, who are uniquely hospitable, those refugees are unwanted.

The refugees have become a symptom of a world in disarray. And the permanent disarray for a long time to come. — Syndicated columnist Stanley Karnow.

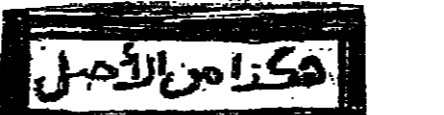
## IN OUR PAGES, 75 AND 50 YEARS AGO

### 1912: Italian Victory

ROME — The capture of Misrata [on July 8] deals a further severe blow at the Turkish resistance in Tripoli. General Camerota's division had landed on the coast behind the oasis three weeks previously. It occupied its time in establishing a strong base for coastal operations, ensuring its communications and the safety of its convoys. The severe engagement which resulted in the Italian victory was won, above all, by the excellent use made of the artillery in preparing the attack of the infantry and the bayonet charges, which produce a deep impression on an audacious enemy like the Arabs. Misrata was the last important town on the Libyan coast which remained in the hands of the Turks. With its conquest, the Italian programme of occupying the coastline is practically complete.

### 1937: Soviets Execute 37

MOSCOW — Thirty-seven Japanese spies, saboteurs and wreckers have been executed in the Soviet Far East. According to the Pacific Ocean News, the number of Japanese spies executed in the Far East has reached 37. There is no indication of how many papers or any official reports of the apparent plague of treason and espionage in the district, where the Communist party has been in power for its most trusted. Communist officials are executed, like the spy-master was announced by the Communist Court of the Soviet Union, without a word beyond vague charges. Trotskyist and Japanese spies were executed.



Thrust and Parry: North Turns Out to Be a Master

CONFESS: Telling It All Is the Rage for '88 Politics

By Maureen Dowd
WASHINGTON — He was willing to take the hit. He was ready to be dropped like a hot rock. He would play the "fall guy," as he put it in his tough-guy lingo, allowing his superiors to finger him on a scheme that was going down the tubes.

played Mr. Nields' expected role — a neat and surprising reversal. His questions were pointed but his manner mild. Mr. Liman, who had been a canny and shrewd investigator with other witnesses, changed tactics with the popular marine officer. The public, he apparently realized from the flood of calls and letters coming into the committee office, felt the colonel was being unfairly picked on.



Arthur L. Liman

But Lieutenant Colonel Oliver L. North would not play the patsy. "When I heard the words criminal investigation," he told the Iran-contra investigating committee on Thursday, "my mind-set changed considerably."

There was probably not another person on the planet Earth as surprised as I was to hear that someone thought it was criminal," he said, "and that I was the only person on the planet Earth named on that appointment order."

Colonel North, who has turned the Iran committee hearings into electrifying theater, did not disappoint on Thursday.

No longer a slip and combative cowboy blithely bending the law, the colonel now presented himself as the earnest servant of the president — with an affecting crack in his voice — seeking to convince a thick-headed Congress that he was being railroaded.

He had a worthy opponent in Arthur L. Liman, counsel for the Senate investigators, who clearly felt that he needed to wrest back some of the sympathy Colonel North has won this week.

The colonel turned his chin out and the counselor tucked his in. But their combat was subtle and soft-voiced, for the most part, as if Mr. Liman had decided he could not win with the aggressive, condescending manner that often characterized his questioning on previous occasions.

John W. Nields Jr., the gentlemanly House counsel, had been expected on Monday and Tuesday to play the good cop, but he was often aggressive — possibly because he was genuinely angry at times. Now Mr. Liman, whom the heralds had cast as the hard guy,

In May, Mr. Liman received a flood of letters of his own complaining that he had badgered and mistreated Richard V. Secord, a retired Air Force major general who was the first witness before the committee.

On Thursday, Colonel North's lawyer, Brendan V. Sullivan Jr., tried once more to portray his client as the beleaguered victim of congressional bullying. "Why don't you get off his back?" Mr. Sullivan snapped at his interrogators.

So Mr. Liman cleverly acted the high school principal with the errant schoolboy, trying to make Colonel North see his errors despite the colonel's continuing protests that he had done nothing illegal or wrong in the diversion of funds to the Nicaraguan rebels.

"And have you wondered why, if it was a good idea," Mr. Liman said, silkily, "that the president of the United States dismissed you because of it?"

The colonel replied: "If the commander in chief tells this lieutenant colonel to go stand in the corner and sit on his head, I will do so."

Mr. Liman also asked, in that sympathetic voice with the edge of the disciplinarian, why the witness did not confront Vice Admiral John M. Poindexter upon learning that his boss had not received the approval of the president on memos, as he had thought.

"I'm not in the habit of questioning my superiors," Colonel North replied at one point. "If he deemed it not to be necessary to ask the president, I saluted smartly and charged up the hill."

The lawyer spoke to the younger man as though he were giving him a civics lesson. "And you would agree with the proposition, wouldn't you, that in our desire to promote democracy abroad, including Nicaragua and elsewhere, we must never sacrifice our democratic values here?" he asked, as the colonel nodded.

But while Mr. Liman may have achieved the impression that Colonel North's superiors were painting him as a "loose cannon" to save themselves, Colonel North remained protective of his former bosses. "That is the part of any subordinate," he

said. "Every centurion had a group of shields out in front of him — a human shield for them."

He said he did not think that the former national security adviser, Robert C. McFarlane and Admiral Poindexter, "would have ever placed me in jeopardy of a criminal prosecution."

He said that he was willing to "take the rap" in the political arena, but not in the criminal courts.

Mr. Liman was at his sharpest — acting appalled and moving in to point Colonel North as very delinquent — when the witness jauntily confessed that he had shredded documents from his files even while the Justice Department officials were in his office collecting files for evidence.

"That's a pretty high-speed shredder," the colonel said, smiling. "It eats 'em pretty quick."

In his opening statement, Colonel North continued to present himself as a selfless patriot, the servant of "a great president." He implied he was better able than Congress to judge the needs of the United States, which he called "a nation at risk" in a "damaged world."

Colonel North's opening statement was dubbed "Son of Choceros" by skeptics in the chamber, because of its similarity in tone to Richard M. Nixon's famous "Choceros speech" of 35 years ago. Then, the issue of whether Mr. Nixon should have accepted money from wealthy contributors got lost in a melodramatic misnomer about his wife's cloth coat and his cocker spaniel.

When he was no longer defending himself, Colonel North was less the combative witness and more the sincere evangelist. He seemed transported — as though he had discovered a new forum for promoting his cause of contra aid.

"Plain and simple," he said, "Congress is to blame because of the fickle, vacillating, unpredictable, on-again, off-again policy toward the Nicaraguan democratic resistance."

(Continued from Page 1)

debate" in which a focus on highly personal matters will replace a concern for public issues.

"The bad will drive out the good," he said. "The more the discussion is trivialized and sensationalized, the less you'll get serious, substantive discussion."

Mr. Frank said the press should re-examine its current direction.

But Herbert Gans, a professor of sociology at Columbia University and the author of "Deciding What's News," said that the trend toward personal disclosure was a reflection of the electorate's long-standing interest in the personality and character of their leaders.

"A lot of the times, politicians don't talk about issues that the voters actually care about," he said. "So voters look for a way of answering the question: 'Which of

these characters can I trust with myself and my country two years from now, when something important happens?'"

Kirk O'Donnell, president of the Center for National Policy, a liberal research organization, said television had played a major role in making politicians' private lives more visible, but the candidates themselves using commercials to offer the public a positive view of their relationships with their wives and children.

He said the era of confessional politics may have begun not with Mr. Hart but in 1953 with Richard M. Nixon's "Checkers speech," a highly personal address in which Mr. Nixon, who was then the vice president, successfully defended himself against charges that he had misused a fund created by wealthy campaign donors.

NEAR: Jetliners Nearly Collide in 2d Incident in 2 Days

(Continued from Page 1)

afternoon, officials said two jumbo jets came within 100 feet of colliding when one of them, operated by Delta Air Lines, was 60 miles off course and crossed just beneath a Continental jetliner.

The near-collision occurred in airspace under the jurisdiction of the Federal Aviation Administration, New-Foundland, and officials said a major question they will focus on in that inquiry is why the incident was not reported immediately to air traffic controllers, as required.

In Thursday's near-collision, the Pan Am and Viava planes were flying along a jet route that is outside of radar coverage.

According to spokesmen for the FAA, the Pan Am crew requested permission from a controller to change altitude from 37,000 feet to 39,000 feet.

The controller granted the request. But in scanning his paper flight data strips, used to check for other traffic in the absence of radar blips, he overlooked the Viava plane coming north on the same airway at 39,000 feet, the spokesmen said.

The incident Wednesday that involved the Delta and Continental jets was one of the most harrowing near-collisions in memory. It appeared safety experts for several reasons. One crew apparently made a number of blunders; the incident took place at midday in

clear weather; and the trouble was not promptly reported to the authorities.

The Delta plane, a Lockheed L-1011 flying from London's Gatwick Airport to Cincinnati with 153 passengers and a crew of 12, was at 3,000 feet about three hours on the westbound seven-hour trip.

The Continental plane, a Boeing 747 carrying 399 passengers and a crew of 19, had also taken off from Gatwick and was headed for Newark International Airport in New Jersey.

The two planes had been assigned to follow parallel tracks 60 miles apart.

Radar coverage does not extend to large expanses of routes over the ocean, so controllers cannot follow the progress of planes on their scopes. Instead, they depend on the accuracy of crews and their equipment to keep the planes on track and at the correct altitude.

Safety margins are built into the routings by putting the tracks 60 miles apart and by providing that planes flying on the same track at altitudes over 29,000 feet be separated by either 2,000 feet in altitude or 10 minutes in flying time.

A key issue was why the Delta plane had strayed 60 miles south of where it should have been. The chief hypothesis of officials close to the inquiry was that the Delta crew had inserted the wrong data into

Iranian Ridicules Bathroom Bargain

WASHINGTON — The Iranian businessman who Lieutenant Colonel Oliver L. North said proposed the idea of diverting Iran arms profits to Nicaraguan insurgents during a 1986 encounter in a bathroom has called that testimony "the best joke I have ever heard in my life."

The expatriate Iranian, Mansour Ghorbanifar, who arranged the first arms shipments, said on Wednesday that Colonel North's account was untrue and that such a conversation was implausible.

"If Mr. Ghorbanifar, an Iranian, made one of your president's most important policies up in a bathroom, I'm sorry for the United States," he

said. "Imagine if I'm supposed to have taken a man who is chief of operations for the National Security Council and said: 'Come to the bathroom, overcharge for the weapons, finish me in Iran, and then send the money to your friends, the Contras.'"

"Honest to God, this is the biggest joke I have ever heard in my life," he said. "I was never alone with him."

Mr. Ghorbanifar said that the meeting referred to took place in London in January and was attended by Richard V. Secord, a retired Air Force major general, and Amiram Nir, an Israeli adviser. Mr. Ghorbanifar said he never left the room.

INQUIRY: Casey Wanted Spy Unit

(Continued from Page 1)

more muted while I was doing it was exposed," Colonel North said. "Isn't failure an orphan?" responded the Senate committee's lawyer, Arthur L. Liman, echoing President John F. Kennedy's comment after the failure of the Bay of Pigs invasion of Cuba in 1961.

On Thursday, Colonel North, 43, said he was part of an administrative plan in which he would be the "fall guy" and "scapegoat" shielding Mr. Reagan and other senior officials from repercussions if the Iran-contra operations were exposed, particularly the diversion of money from the arms sales to the Contras, or Nicaraguan rebels.

He described shredding mounds of documents after the scandal broke, even as Justice Department investigators sat in his office reading files.

Colonel North displayed at the witness table two stacks of telegrams he said he had received from supporters across the United States. And a White House spokesman said that, of thousands of telephone calls to the White House concerning the affair, about 96 percent were in support of Colonel North.

The atmosphere in the hearing room seemed cordial Friday, compared to the frequent sparring earlier in the week. At one point Colonel North jocularly asked Mr. Liman if he was criticizing the document shredding.

"My eyesight has suffered from reading what you left behind," Mr.

Cyprus Car Bomb Kills Hotel Manager and Son

NICOSIA — A bomb exploded in a car Friday in the Cyprus coastal town of Limassol, killing a hotel manager and his 13-year-old son, police said.

The bomb exploded outside the home of the manager of the Limassol Continental Hotel, apparently after he tried to start the car's engine. A younger son was seriously injured, police said.

The news broke that Oliver North has decided that he would never sell his story, the Republicans would have to beat back his presidential candidacy with a stick."

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STAR: Celebrity Industry Casts Its Eye on Oliver North

(Continued from Page 1)

\$2 million for his memoirs, creating another huge deficit.

"You have Oliver North, Iran, the president, missiles, Israel, intrigue and espionage," Mr. Korda said. "That sounds like a more appealing package than how we put together the public budget."

Mr. Korda said he would not be troubled if such a book were self-serving.

"What is an autobiography for, if not to be self-serving?" he demanded. "In the entire history of literature, has anyone written one that is not? Why should Oliver? Did Julius Caesar begin his book, 'I murdered many innocent Galish women and children?'"

Mr. Korda and Mr. Osnos agreed that a book about, rather than by, Colonel North would be a dicier proposition.

Not so, said the New York publisher Donald Fine, who is bringing out just such a book. It is by a Boston Globe reporter, Ben Bradlee Jr. Mr. Fine predicted 100,000 copies in advance orders for its late-annum release.

Ms. Newberg, the New York agent, warned that Colonel North would not appear too eager, lest he lose his heroic sheen.

"As soon as he decides to sell to the highest bidder, the price will go down in a second," she said. "I think you'll find that if he's the guy he says he is, who did it all for love of country and the corps — well, the Semper Parity type does not 'Live at Five.'"

On the other hand, she added, "if

the news broke that Oliver North has decided that he would never sell his story, the Republicans would have to beat back his presidential candidacy with a stick."

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Alienation, Delinquency Afflict Vietnam's Youth

By Barbara Crossette
BANGKOK — Reports in Hanoi's official news media have begun to lend credence to recent assertions by young refugees of rising alienation and protest among Vietnamese youth.

Vietnamese in their teens and 20s are not likely to attempt public demonstrations, as young South Koreans and Chinese have done recently.

In the decade after the unification under Hanoi's rule, Vietnam has been one of Asia's most repressive countries. For many, the only avenue of protest is escape.

Recently, however, there have been reports that, for example, a power plant was sabotaged by its young employees. Also, there have been reports of a contributor who was arrested after he called living conditions for rural teachers "deplorable."

The Vietnamese press agency reported recently that thousands of young criminals who had fallen under the influence of "peer pressure" or adult lawbreakers were being rehabilitated in schools for juvenile delinquents.

The report said 8,000 youths had

been sent from these vocational schools to jobs in agriculture or the construction industry.

Under the pragmatic new Communist Party leader, Nguyen Van Linh, the Vietnamese are being urged to expose faults and shortcomings, in an echo of the Soviet campaign for "openness."

Mr. Linh is assumed to be the author of a column called "Things to Be Done Immediately," signed "N.V.L.," that appears in the main Communist Party newspaper, Nhan Dan. The column advocates a vigorous restructuring of the economy, within the confines of Marxism-Leninism, and calls for full disclosure of failures.

Just as in the Soviet Union, there is resistance to this policy, Vietnamese publications and radio broadcasts indicate.

Nevertheless, frank airing of grievances and revelations of corruption have become daily fare. In the process, concerns about official press organizations call "juvenile delinquency" or the "negative phenomenon among youth" are beginning to appear more often, or be reported more fully.

According to exiles, the young people engage mostly in passive re-

sistance to directives. There is draft evasion and occasional sabotage.

Hanoi's domestic radio network reported in detail on one case of deliberate destruction on June 29. The report, translated by the British Broadcasting Corp.'s monitoring service, said the Ho Chi Minh Communist Youth Union at the Pha Lai power plant in Ho Chi Minh City had investigated recent sabotage and discovered that "thefts of materials, equipment and coal, the removal of insulating tubes and, especially, the stealing of accessories to starters on electrical equipment have occurred in the plant."

"More dangerously," the report said, "thieves have replaced stolen electrical accessories with fake ones. Nearly all the 22 arrested persons are Youth Union members and workers in the plant."

Young people fleeing Vietnam by boat say that, because of the harsh conditions, they feel forced farm labor in what are called new economic zones.

Young men also say they do not want to fight in Cambodia or on the Chinese border, but high-casualty areas where, they say, "troublemakers" are sent.

On June 28, Hanoi's radio re-

ported that "assault youth security teams" had been formed along Vietnam's northern border. The broadcast said about 1,250 young people had "volunteered to join in carrying out patrol duty, setting up ambushes and setting up special action cells."

These cells, the radio said, are designed "to popularize state policies and the law, and to motivate people of all nationalities to maintain vigilance and resolutely foil the enemy's scheme to encourage illegal emigration across the border."

Peru Captures Rebels Suspected in Killings

LIMA — The police have captured a band of 13 Shining Path guerrillas believed responsible for the killing in June 1986 of four tourists on a train headed to the Inca hilltop ruins at Machu Picchu, according to the authorities.

General Fernando Reyes said Thursday that the capture of the rebels was a heavy blow to the organization of the Maoist-led group in the central Andean region of Cuzco.

Peru Captures Rebels Suspected in Killings

Table with multiple columns listing international funds, their names, and various financial details. Includes sections for 'ESCORTS & GUIDES' and 'INTERNATIONAL CLASSIFIED'.

Table with multiple columns listing escorts and guides services, including names, addresses, and contact information. Includes sections for 'ESCORTS & GUIDES' and 'INTERNATIONAL CLASSIFIED'.

Not Yet... The Seventh Day's Rest... By Flora...

ARTS / LEISURE

Sensations and Problems In Master Drawings Sales

International Herald Tribune LONDON — There were a few sensations this week as Christie's and Sotheby's held sales of Old Master drawings, but it was not an easy time for auction houses.

Not even for Christie's, on Monday, where the big event was taking place: the sale of 16 drawings from Chatsworth. The memory of the epoch-making auction of July 3, 1984, when a larger batch of drawings from Chatsworth realized \$21.179 million (\$28.3 million at the time), led to an unfair comparison.

The other piece is a working drawing made after one of the Quirinal marbles at a time when Raphael had been appointed what we would call inspector of Roman antiquities. This is a fascinating document but, in the eyes of some, not a truly original work of art. That made \$418,000, paid by Ian Woodner, the New York collector.

In some cases, the drawings had little interest aside from their provenance, such as Domenico Campagnolo's "Christ Commanding St. Peter to Walk on the Water" — if it is by Campagnolo. It failed to sell at \$18,000. An early 16th century portrait of a man is a masterpiece, but it takes a piercing eye to make out the pale outline. It has been successively called a Domenico Ghirlandaio, a Filippino Lippi, a Lorenzo di Credi, and is now a Lippi again — but might well move back to square one, as Christie's expert, Noel Annesley, admits. Not surprisingly, it remained unsold at \$160,000.

There were also a few unqualified masterpieces, and U.S. museums had a field day. The gem by unanimous consent was a detailed study for the "Madonna del Popolo" by Federico Barocci. The New York dealer David Tunick oc-

tensively bought it. The actual buyer, however, is the National Gallery of Washington, which outbid the J. Paul Getty Museum, likewise represented by an agent. As the bidding went up from \$1.5 million to \$1.6 million — \$1.76 with the premium — the richest museum in the world uncharacteristically conceded defeat.

The Getty may have derived some comfort from the three superb drawings it bought immediately after. One is a sketch in pen and brush, and gray wash heightened with white, now considered to be a preliminary study for Veronese's "Martyrdom of Saint Justina." It is squared in black chalk, suggesting that the sketch was intended as a model for a picture, possibly the altarpiece, now in the church of Santa Giustina in Padua.

But just about every detail differs from the finished picture. Few specialists believed in this group of drawings two decades ago. Now most do. The recollection of past hesitations may have deterred some potential buyers. The Getty bought it just above the reserve, at \$605,000.

Its next acquisition was a sketch for a circular picture, or tondo, by Correggio, a Christ in Glory flanked by angels on clouds. Again the museum seemed to be alone in the running. It got the sketch for a trifling \$230,000, the Christie's estimate.

Things were marginally more animated when it came to a red chalk study for the "Death of St. Peter Martyr" by Giovanni Antonio da Pordenone. Agnew's made a few bids before leaving the field to the Getty at \$550,000, again virtually the estimate.

Many non-professionals seemed disappointed that these estimates were not wildly exceeded. This is forgetting that they were established on the basis of the highs of the previous Chatsworth sale. One drawing by Rembrandt, a landscape in pen and brown ink, peddled when measured by the standards of the greatest Dutch draftsman, rose to a mind-boggling

\$1.375 million. That does not mean that another drawing, bought in at \$50,000, is a disaster. This was a very dull Rembrandt indeed. The last two Rembrandts did not rise to extraordinary heights, but while they may have been wonderful when in pristine condition, they are now pretty far gone. The foxing on the gray wash in the second, most admirable, piece, sold for \$209,000, cannot be removed without ruining the drawing completely.

Amesley, Christie's remarkable expert on Old Master drawings and No. 3 in the company's hierarchy, was conducting the sale and the strain showed. As he brought down his hammer on the Getty's single winning bid on the Veronese, his voice had the gloomiest ring I have ever heard from an auctioneer.

Some concluded that it was a poor show, but actually Christie's did remarkably well with the Chatsworth holdings.

There was a neat follow-up with a large number of drawings from various owners. It totaled \$3.1 million, leaving a negligible 4 percent unsold, which hardly suggests a lack of enthusiasm. One of Francesco Guardi's finest Venetian views in sepia wash that I recall seeing in the market went up to \$429,000.

Most astonishingly, a freakish group of anatomical studies by Rubens, with which Christie's could easily have come unstuck, sold beautifully. The style is so unexpected that Christie's took the unusual step of inviting a leading Rubens scholar, Michael Jaffe, to write an essay in the catalogue introducing the newly discovered series. But Christie's experts set such low estimates it gave the impression that they did not believe their own labeling.



"Death of St Peter, Martyr," by Pordenone, sold for \$555,000 to the Getty Museum.

ing made by Paul Pontius, did even better at \$284,000. The estimate was \$16,500-22,000. These, at least, were difficult problems with a satisfactory conclusion.

That was not quite the same with Sotheby's on the same day, with their own successful Old Master drawings sale totaling \$1.96 million, with a low failure rate, barely exceeding 9 percent. They too sold a drawing to the Getty, Pontorus's red chalk study of a boy for \$352,000. It will match another in the Getty collection.

But there were problems. A group of six Roman views in pen and brown ink that Sotheby's ex-

perts consider to be by Piranesi surprised many connoisseurs. The attribution, Sotheby's director of the department of Old Master drawings said in a telephone interview, agrees with the opinion of scholars such as J. Wilton-Ely and leading connoisseurs such as James Byam Shaw.

Unfortunately, the catalogue also mentions the name of Andrew Robeson, the curator of prints and drawings at the National Gallery in Washington and a Piranesi specialist, in a way that the hurried reader could be left with the impression that Robeson also agrees with the attribution. He does not, and, as Julien Stock, the director of Sotheby's Old Masters drawings department, said, clearly said so to Sotheby's 10 days before the sale.

On Monday, the six Roman views sold very well at prices ranging from \$93,500 down to \$20,900.

Four of them were bought on behalf, according to a professional source, of Gianni Agnelli. By that time Robeson, in London and irritated by the ambiguity of the presentation, was telling friends in professional circles that he did not think for a second that they could be by Piranesi. Stock says that the buyer now declined to take the drawings, but that he, Stock, and his colleagues stand by their opinion. It is one expert view against another.

How much is at stake financially may be inferred from the price at which the group of six drawings was being offered in the trade in Italy a few months ago, according to one well-placed source: 30 million lire, about \$14,000. The dramatic difference with the \$380,600 that the six drawings made on Monday is a small sensation in its own way too.

Historic British Beasts

International Herald Tribune

LONDON — Two bronze heraldic beasts of the early 16th century, sold Thursday at Sotheby's for £302,500, may go down in London market annals as the most undervalued works of art relating to English history.

Sotheby's expert describes the pair as "the finest and rarest pair of late Tudor bronze heraldic beasts, first half of the 16th century." The entry mentioned as an afterthought, the existence of "the bronze screens of similar manufacture" by the Italian sculptor Torrigiano, that surrounds the tomb of Henry VII and Elizabeth of York in Westminster Abbey. One of the beasts is a mythical animal with hooved legs, a lion's snarling snout and goat-like horns, called a yale. It is seated on its hindlegs and has a collar in the shape of a coronet that points to some royal connection — could this be the illegitimate son of Henry VII, Henry Fitzroy? A brilliant scholar and former V & A keeper called Claude Blair, is believed to have actually solved that riddle. The other beast is a greyhound (see photograph), again a probable indication of a royal connection.

The items are believed to have been consigned for sale by the solicitor of a collector in his eighties living in Winchester.

No bronzes connected with renaissance art in England, let alone royal bronzes, have ever been auctioned, nor could experienced dealers remember seeing any in their shops. They created a flurry of excitement among dealers specializing in the period, and were eventually acquired by Daniel Katz of London, who probably has the sharpest eye for renaissance and baroque art and the shrewdest business sense among all London dealers.

The estimate, ludicrously put at "£15,000-£20,000" (£16,500-£22,000 with premium), may have deterred nonspecialists from bidding as high as they might have otherwise. But one wonders what on earth the English Museum, usually so keen about the national heritage, were doing.

These are the most important objects I've ever seen in the national heritage since they have come up on the market in a long time. They are bound to stay in England, but the negligence or unwillingness to cost the nation a substantial amount of money, SOUREN MELIKIAN



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Stocks Index table with columns for AMEX prices, NYSE prices, etc.

SATURDAY-SUNDAY, JULY 11-12, 1987

ECONOMIC SCENE

U.S. Can No Longer Rely On an Eager Latin Market

By LOUIS UCHITELLE

NEW YORK — The United States is slowly increasing its exports, whittling away at the nation's huge trade deficit. If that deficit is to be dissolved, however, buyers must still be found for tens of billions of dollars of new sales abroad. In the past, whenever U.S. exports expanded, Latin America stepped forward to purchase a big share of the additional goods. This time the Latin buyers are gone.

Through decades of economic hardship, Latin America steadily purchased 15 percent of all the merchandise — the vast array of consumer products, machinery and equipment — that the United States sold abroad. Since the 1960s only Canada and Western Europe have purchased more than the Latin Americans.

For years, Latin Americans took 15 percent of U.S. exports. This figure has slipped.

But there are broader implications in the forced retreat of the Latin. Without the leading crutch, Latin America now has to pay for its imports with earnings from its own exports, particularly exports of manufactured products. These exports are already growing, chiefly from Brazil and Mexico.

In fact, the United States has been buying from Mexico and Brazil enough oil, machinery, auto parts, shoes and other consumer goods to develop a trade deficit with Latin America since 1983. That deficit is running at an annual rate of about \$14 billion this year. The Latin is using the surplus money to pay some of the interest on their nearly \$400 billion in foreign debt.

The new earning power might someday prompt Latin America to look elsewhere for imports. The fear is that if the Latin is going to pay for foreign purchases with the profits of their own exports rather than with loans from American banks, why should they feel obligated to buy American goods in the future?

"The danger is still far down the road," said C. Fred Bergstein, director of the Institute for International Economics in Washington. For now, the dollar's weakness has given U.S. products an advantage over goods priced in Japanese yen or West German Deutschmarks. This is reflected in recent Latin buying practices. Purchases of U.S. products have picked up since 1984.

Current solutions to keep Latin as a buyer of U.S. goods involve a series of steps to improve and expand foreign. Various rescue plans call for increased lending by multilateral lending agencies and commercial banks to major debtor nations, many of them in Latin America, as a way to ease debt payments. None of these plans has made much headway.

"By the 1990s Latin America might solve its debt problem by becoming a manufacturing center," said David Hale, chief economist at Kemper Financial Services. In the meantime, the Latin countries are unlikely to be of much help as a marketplace for Americans struggling to sell more products abroad.

United Sets Link In Europe

BA, 2 More Join Computer System

Compiled by Our Staff From Dispatches

NEW YORK — United Airlines and three European carriers announced Friday that they would build a \$120 million reservation system to provide fuller information to travel agents in Europe and ultimately to improve flight service in Europe and in the United States.

The venture, to begin operation by next year, would serve 30,000 European travel agencies, which are beginning to link with sophisticated computer systems.

The new system's European partners are British Airways, KLM Royal Dutch Airlines and Swissair. United does not fly to Europe, but its Apollo reservation system in the United States would provide the model for the system in Europe.

Because the system will be linked to United's system in Denver, the travel agents using Apollo in the United States will also have more up-to-date information on European flights, fares, seat availability and so forth.

United Airlines' parent company, Allied Corp., said it will sell a stake in Adello as part of the sale of a number of corporate assets. John Zeeman, executive vice president of United, said that the three European airlines in the venture would be likely candidates to make an investment in Apollo.

Mr. Zeeman said that the European system would have no "bias" toward any one airline. In Europe, most national carriers have systems that favor their own flights when travel agents seek information.

The venture by United and the three European carriers is expected to put pressure on a rival group in Europe called Amadeus, which has been seeking to develop its own joint computer system. The group — made up of Air France, Lufthansa, Iberia and Scandinavian Airlines System — said last month that an agreement had been reached to develop such a system by 1989.

(NYT, Reuters)

French Chefs as Business Managers

U.S. Professor Finds Them Dictatorial but Effective

By Kurt A. Ruderman

International Herald Tribune

PARIS — To the gourmet diner, a three-star chef is an artist of the exquisite, a magician of the sublime and sensual moment. To Michael Brimm, a chef is not even a cook. He is a manager, and some manage better than others.

Top chefs do not chop shallots and whisk sauces, he says, they "create and implement through other people, and this is the notion of management. Unlike other artists, like painters or sculptors, a chef has only one shot at perfection. Once that is served on the table, if it is not good, it is over. The rest is clearly a management job."

Mr. Brimm, an American, is an expert on new organizational designs for improving productivity and workplace quality in large enterprises. He teaches the subject at the elite INSEAD, the European Institute of Business Administration at Fontainebleau, France, where he has been since 1978. He is now an associate professor of organizational behavior.

He also knows something about food. He worked as a short-order cook, slinging 30 eggs at a time, while completing a bachelor of science degree at Cornell University in the 1960s. Since then his talents have grown more refined — he has apprenticed, among other places, under Jacques Moustier, the chef at Auberge Moustier, a one-star restaurant near Fontainebleau. His figure hints that he enjoys eating, though there is no sign of over-indulgence.

"Brimm knows more about French cuisine than most French people," says INSEAD's director of research, Charles Wypoliz. Mr. Brimm has long viewed top restaurants — like Jamin and the Tour d'Argence — as the epitome of successful entrepreneurial businesses, and restaurant kitchens as microcosms of the business world, with similar struggles over management, finances and succession, and with occasional takeovers and mergers. Last year he began to study French restaurants — the



Michael Brimm, left, and Marc Meneau.

ones given stars by Michelin and zozquer by Gault-Millau — in earnest, with an eye toward preparing a book.

He calls his project — the basis of a class for INSEAD's graduate business students — "Some Like It Haute."

"By analyzing the restaurant as a high-performance system or organization," he adds, "I want to try and understand what general ideas we can draw from them."

Mr. Wypoliz says, "It was an interesting and original idea. Most of the research projects study large companies."

He adds, "It's an interesting laboratory study of how people operate under stress."

Mr. Brimm, 45, is a native of St. Louis, Missouri, who towers above many of the French chefs with whom he works. He says he was fascinated by the fact that, in a business of few secrets — including recipes and where and how to procure excellent raw ingredients — there is a category of restaurants that stand out above the others as tall as a chef's starched white toque.

"There are a lot of people who work hard and want to get to the top," he notes, "and yet there are only some selected restaurants that are able to consistently come up with a creative menu and maintain the quality of that menu for meal after meal for person after person."

His research has introduced him to some of France's top chefs, including Joel Robuchon at Jamin; Alain Senderens at Lucas Carton; Marc Meneau at

See CHEF, Page 10

Japan's Surplus In Trade Shrank Again in June

Compiled by Our Staff From Dispatches

TOKYO — Japan's merchandise trade surplus shrank from its level of a year ago for the second straight month in June, apparently confirming a trend, the government said Friday.

The seasonally adjusted June surplus was \$5.51 billion, 17 percent narrower than \$6.44 billion the previous month. Unadjusted, the June surplus was \$6.61 billion, compared with \$7.36 billion.

For the first half of the year, Japan's trade surplus shrank to \$40.13 billion, from \$48.51 billion in the preceding six-month period, the Finance Ministry said. Japanese exports slowed and imports accelerated for the first time in five halves. But the surplus remained far wider than the \$34.24 billion surplus of a year earlier.

Ministry officials said the June drop was largely due to a 20.3 percent rise from a year ago in total imports, which totaled \$12.19 billion. They said this reflected a 40.6 percent annual increase in imports of high-price crude oil.

"Japan's trade surplus is surely on a downward phase," said Takeshi Saito, chief economist at Fuji Bank.

Other government and private economists concurred, saying the June shrinkage showed that international efforts to lower the value of the dollar were finally taking effect.

"There will be some small ups and downs in Japan's trade surplus but the trend has been established for a gradual decline," an economist at a major research firm said.

June exports to the United States, Japan's major trading partner, showed their first year-on-year drop in 27 months, which ministry officials attributed mainly to a 17.3 percent drop in car exports.

Japan's surplus with the United States contracted 10.9 percent in June, to \$4.01 billion from \$4.43 billion.

But the surplus with the European Community grew to \$1.54 billion, from \$1.52 billion in May and \$1.34 billion a year earlier. The ministry reported a 26.3 percent jump in exports to the EC for June from a year earlier.

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(Reuters, AFP, UPI)

U.S. Prices Rise 0.2%

Compiled by Our Staff From Dispatches

WASHINGTON — U.S. wholesale prices rose by 0.2 percent in June, the smallest increase in five months, as a rise in energy costs was moderated by a slower rise in food prices, the Labor Department said Friday.

For the first half of the year, the Producer Price Index rose at an adjusted annual rate of 4.5 percent, the fastest pace for any six-month period since late 1982.

But the government noted that the recent rise in energy costs accounted for most of the overall rise.

Most economists predict that energy prices will soon level off, and they predict a wholesale price increase of about 2.5 percent to 3 percent for all of this year.

The Producer Price Index reflects the cost of goods as they leave farms and mines and are processed for the wholesale market. It is considered an important sign of how inflation will affect consumers in a few months.

The government said the June rise in the price index, the lowest since an 0.1 percent increase in February, was mainly due to the moderation in food costs. The consumer foods index increased 0.5 percent in June, after remaining unchanged in May.

The cost of energy goods rose 0.9 percent in June, after remaining unchanged in May.

In Panama, Turmoil Disturbs Peaceful Haven for International Bankers

By Julia Preston

Washington Post Service

PANAMA CITY — A month of turmoil has damaged Panama's image as a peaceful haven for international banking and dimmed its prospects for keeping up payments on its foreign debt, according to bankers and economists here.

To date there is no sign of panic among the 120 foreign banks, with assets of nearly \$39 billion, that make Panama the most important international banking center in Latin America. No bank is slashing operations or relocating.

But as the crisis moved into its fifth week, bankers sent alarm signals to their home offices and the Panamanian government.

"You're starting to hear bankers re-evaluating a few things," said one well-placed foreign economist. Banks in Panama handle offshore accounts for U.S. companies, Latin American funds and bank-to-bank transactions. The banking center flourished over the past decade because of strict secrecy laws and negligible taxes on deposits and income. U.S. dollars are used as the local currency. An atmosphere of political calm was also an important factor.

Now the floor-to-ceiling windows of most banks along 50th Street, the financial district's main boulevard, are boarded over to protect against pro-government rioters throwing rocks and firebombs.

The unrest erupted last month after the defense forces chief of staff, Colonel Roberto Diaz Herrera, was forced out by General Manuel Antonio Noriega. Colonel Diaz Herrera accused General Noriega, who in practice controls the government, of being involved in assassination and of rigging a 1984 election.

New pro- and anti-Noriega demonstrations came after a June 26 U.S. Senate resolution calling on the general to step aside pending an independent investigation into Colonel Diaz Herrera's charges.

Banks were closed June 11 and 12 during a nationwide business strike. The government threatened to cancel the visas of some Latin

bankers based here if they did not reopen after those two days, the bankers said.

Bank staffers have been among the opposition activists, taking daily to the streets to hork horns and wave handkerchiefs to demand that General Noriega step down.

As a result many banks were targeted by police and pro-government vandals. During protests in mid-June, police stormed the offices of the Panamanian-owned Banco del Istmo, clubbing several employees. One of that bank's main stockholders is President Eric Arturo Delvalle.

Last week pro-government squads broke the Bank of America's ground floor windows and

tossed a Molotov cocktail into a second-floor office, though it did not ignite. They also splattered paint across Citibank's facade. Police arrested four Chase Manhattan employees and beat up others.

A major international bank lowered Panama one grade on a political risk scale, meaning it must exercise much greater caution with its loans here. One bank executive reported a string of withdrawals of about \$10 million and \$20 million by foreign companies.

Panamanian depositors withdrew millions in cash from individual accounts in local banks. In June fiscal authorities ordered several emergency shipments of dollar bills, worth \$20 million, from commercial banks in the United States, a bank treasurer said.

Bankers monitoring the \$3.8 billion foreign debt said the crisis also greatly complicated Panama's compliance this year with a World Bank austerity program to qualify for a \$50 million bail-out loan.

Panama agreed in 1985 with the World Bank to reform its social security system, which was close to running out of funds. In the past two years, Panama met other World Bank and International Monetary Fund programs and received loans of almost \$200 million.

But there is broad resistance to the social security changes, which would make many Panamanians work longer for smaller pensions.

protectionist pressures, broadening trade and financial flows and reversing the downward trend in commodity prices.

Norway's prime minister, Gro Harlem Brundtland, urged industrialized countries to ease the financial burdens of indebted developing nations by increasing aid and granting more loans on easy terms.

"Let us be frank about this — much of the debt will not be paid back in any real sense," she said in the UNCTAD session. "To maintain such a demand will entail political disturbances in many countries of such magnitude that they would be completely unacceptable."

(AFP, Reuters)

Write-Offs Could Worsen Third World Debt Crisis

Bankers See Effect on New Loans

By Julia Preston

Reuters

LONDON — A plunge in commodity prices and a slowdown in world economic growth has left many indebted Third World countries facing a solvency problem. But debt relief that involves writing off just some of these loans is not the solution, according to bankers and economists.

Aside from the fact that writing off debt is not as easy as it sounds because of the different tax and legal requirements in various countries, this type of action would only exacerbate the problem, they said.

"This is not a way to do business," an official from a Latin American country, who declined to be identified, said during a recent visit to London.

"Even if banks write off the debt and do it willingly," he said, "there will be resentment toward the debtor country when it comes time to negotiate for new money. And who can blame them?"

And an economist at a major Swiss bank said, "Simply letting countries write off their debts would be the greatest possible mistake we could make."

The economist, who declined to be identified, said a write-off would be unfair, because "if we let one country off their debts, we would have to let off others as well."

Henry Kaufman, managing director of investment bank Salomon Brothers Inc., acknowledged that debt relief must not be seen as a carte blanche gesture.

"Any form of debt relief will have to be accompanied by policy reforms that are monitored against performance standards on a case-by-case basis," he said at a conference on global debt strategy in New York recently.

Performance standards are necessary to avoid any appearance of rewarding those who have failed to

perform or aiding those who really do not need debt relief, he said.

The five-year-old debt crisis entered a new phase on May 19 when Citicorp announced plans to set aside an additional \$3 billion in provisions against bad loans to developing countries.

Among other things, the move was seen as setting the stage for allowing banks to sell or swap their loans into a developing secondary market for Third World loans.

The news caused brief hiccups in the international markets. U.S. banks said that although the Federal Reserve publicly backed Citicorp, the central bank was initially concerned that the huge one-time increase would lead to difficulties for other major U.S. banks.

In the end, Citicorp's share price rose, the dollar recovered and bank analysts hailed the move as prudent bank management. Other major U.S. banks soon followed.

However, making provisions is different from writing off a debt. Separate tax and accounting treatments are needed, and in some countries there are standards for provisioning but not writing off, and in others neither.

Swiss and West German banks have been making sizable provisions against these loans almost since the debt crisis broke in 1982.

But Alastair France, an analyst at London-based broker Laing & Critchbank, noted that German banks have written off, on average, half the face value of doubtful sovereign debt. The authorities are un-

dermined by the fact that writing off debt is not as easy as it sounds because of the different tax and legal requirements in various countries, this type of action would only exacerbate the problem, they said.

"This is not a way to do business," an official from a Latin American country, who declined to be identified, said during a recent visit to London.

Cuban Minister Blames Developed Nations for Slow Growth

Compiled by Our Staff From Dispatches

GENEVA — Cuba's foreign trade minister, Ricardo Cabrisas Ruiz, on Friday blamed the slowdown in world growth and trade on "deflationary" policies and protectionist actions by developed nations.

Stressing a growing interdependence between the industrial North and the developing South, Mr. Cabrisas said that industrial nations would be unable to overcome slow growth and high unemployment unless the buying power of Third World nations were increased.

Mr. Cabrisas was speaking at the UN Conference on Trade and Development, the principal world forum for debating North-South economic differences.

The Cuban minister's comments came on the second day of a conference session. Earlier, a U.S. official had said that a downgrading of the U.S. representation at the conference from the last meeting in 1983 was intended to show "contempt."

The downgrading was seen as a further demonstration of the Reagan administration's displeasure with the United Nations system and economic demands by Third World countries.

Mr. Cabrisas, speaking on behalf of the Group of 77, a grouping of

developing nations that has grown to include 127 countries, described the Third World's trillion dollar debt as an "insurmountable obstacle" to development.

He blamed the debt on "the irresponsible and selfish policies of the great centers of capital" and the contraction of international trade.

"If there is no solution to the problems of the Third World, there will be no sustained nor stable development for the world economy," the Cuban minister said.

Mr. Cabrisas called for the adoption by all countries of policies aimed at "consolidating and correcting exchange rates, reducing

money for financial speculation. Eleven creditors, including the French subsidiary of American Express Co., have filed against the Chaumet brothers in Paris and Geneva. Albin Chalandon, the French justice minister, is also a creditor.

Other companies vying for a partial takeover of the Paris-based jewelry were Alexandre Réza, a French jeweler, and the Hermès company.

Investcorp, which has offices in Manama, Bahrain, and in London, was formed in 1983 by Gulf investors. In addition to its interest in Tiffany, it has been active in the U.S. real estate market.

(AFP, Reuters)

Paris Court Awards Control Of Chaumet to Arab Bank

Compiled by Our Staff From Dispatches

PARIS — A Paris commercial court awarded control Friday of the bankrupt Chaumet jewelry firm to Arabian Investment Banking Corp., or Investcorp.

The co-owners of the prestigious firm are in jail on charges of fraud and abuse of confidence.

The court gave Investcorp, a shareholder in New York-based Tiffany & Co., control over all Chaumet branches in Paris, Geneva, Brussels, New York and London. It ordered the takeover to be completed by Sept. 30.

Investcorp is to pay between \$3 million and \$0 million francs (\$13 million and \$14.7 million) for Chaumet's operations.

The court also ordered a cut in Chaumet's staff, from 100 to 80.

The brothers Jacques and Pierre Chaumet, the ninth generation of the family that founded the firm in 1780, filed June 11 for bankruptcy, with debts of about 1.8 billion francs (about \$300 million). They were jailed two days later.

The charges against them concern the alleged use of creditors'

Currency Rates

Table with columns for Cross Rates, Currency per U.S. Dollar, etc.

Other Dollar Values

Table with columns for Currency per U.S. Dollar, etc.

Interest Rates

Table with columns for Eurocurrency Deposits, Money Market Rates, etc.

Asian Dollar Deposits

Table with columns for 1 month, 3 months, 6 months, 1 year.

U.S. Money Market Funds

Table with columns for Merrill Lynch Money Assets, etc.

Gold

Table with columns for A.M., P.M., etc.

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Friday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE 52-Week High Low Close

Table with columns: 12 Month High Low Stock Div. Yld. PE 52-Week High Low Close. Includes various stock symbols and their corresponding prices.

(Continued)

Table with columns: 12 Month High Low Stock Div. Yld. PE 52-Week High Low Close. Continuation of stock market data.

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U.S. Futures

July 10

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Grains

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Metals

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Financial

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London Metals

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AMERX High-Lows

Table with columns: AMERX High-Lows, Stock, Price, etc. Includes AMERX high and low prices.

Company Results

Table with columns: Company Results, Company, Revenue, etc. Includes company financial results.

Polish Exports to West

Surged by 18% in Half, Raising Hope for Credit

WARSAW — Polish exports to the West surged by 18 percent in the first six months of this year, producing a merchandise trade surplus for the period of \$780 million, an official newspaper reported Friday.

The government daily Rzeczpospolita said the figures gave cause for optimism that Poland would qualify for an International Monetary Fund standby credit within a year.

The results, a sharp improvement on the \$430 million surplus in last year's first half, indicate Poland is on target for the \$1 billion surplus envisaged in this year's economic plan.

This would allow Poland to revise targets for achieving a balanced current account, satisfying IMF conditions and opening the way for a standby credit, the newspaper quoted a trade official as saying.

The plan is expected to be drafted by the end of the year and would aim for a balanced current account by 1990-91, three years ahead of projections.

IMF Makes Loan To Argentina

WASHINGTON — The International Monetary Fund said Friday that it had approved a loan totaling \$654 million for Argentina, a first step in a package worth nearly \$4 billion.

The loan is expected to be followed by a \$1.4 billion IMF standby loan by the end of this month and a \$1.95 billion commercial bank package planned for August.

The IMF said the \$654 million loan was made because of "lower earnings for agricultural exports caused by the decline in international prices" Argentina, whose foreign debt is about \$50 billion, has been badly hurt by falling prices for wheat and beef, which provide the overwhelming share of its foreign exchange.

Paris Commodities

Table with columns: Paris Commodities, Price, etc. Includes Paris commodity prices.

London Commodities

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Dividends

Table with columns: Dividends, Company, Dividend, etc. Includes dividend information.

Spot Commodities

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CURRENCY MARKETS

Dollar Boosted by Inflation Figures

NEW YORK — The dollar closed higher Friday against all major foreign currencies, bolstered by a better-than-expected report on inflation at the wholesale level and prospects of a narrowing trade deficit in May.

The dollar closed in New York at 1.8465 Deutsche marks, up from 1.8390 on Thursday; at 150.80 Japanese yen, up from 150.20; at 1.5410 Swiss francs, up from 1.5355; and at 6.1525 French francs, up from 6.1310.

The dollar was also higher against the British pound, which closed at \$1.6130, against \$1.6180 Thursday.

Traders said the dollar moved above 151 yen shortly after the Labor Department reported a modest 0.2 percent rise in the June Producer Price Index. But then the dollar slipped on increased selling pressure.

"Most of the market was looking to buy dollars, and the PPI confirmed that sentiment," one New York trader said.

"After the PPI, the dollar hit 151. It just didn't hold. But that was

London Dollar Rates

Table with columns: Currency, PFI, Tm. Rows include Deutsche mark, French franc, Japanese yen, Swiss franc, British pound.

basically the reason for the dollar buying this morning.

Traders said a rumor that a major New York bank was about to lower its prime interest rate also brought the dollar under some pressure.

In Tokyo, the Finance Ministry reported that Japan's global trade surplus, seasonally adjusted, shrank 17 percent to \$5.51 billion in June, from \$6.44 billion a year earlier, the second consecutive such decline.

The report strengthened the feeling among some market participants that next Wednesday's report on the U.S. merchandise trade deficit in May should show an improvement over the \$13.3 billion deficit registered in April.

"People are talking about next Wednesday, and that is generally

one of the reasons we have seen the dollar pick up in the past few weeks," said Chris Bourdain, foreign currency adviser for BankAmerica International.

In light of the Japanese trade report, some market participants have said they believe the U.S. trade number could come in as low as \$12 billion.

However, Mr. Bourdain said the shortfall would "probably be close to \$13 billion or \$13.5 billion."

The dollar closed in London at 1.8442 DM, up from 1.8390 Thursday; at 148.65 yen, down from 149.85; at 1.5408 Swiss francs, up from 1.5320; and at 6.1445 French francs, up from 6.1265.

It was also higher against the pound, which closed at \$1.6145, against \$1.6180 Thursday.

But others said attention would continue to focus on the yen.

Earlier in Europe, the dollar was fixed in Frankfurt at 1.8436 DM, up from 1.8351 Thursday, and in Paris at 6.1420 French francs, up from 6.1190.

The dollar closed in Zurich at 1.5385 Swiss francs, up from 1.532 Thursday. (UPI, Reuters)

SEC Is Said to Widen Probe Into Municipal Bond Sales

New York Times Service

WASHINGTON — The Securities and Exchange Commission has widened its investigation of the possibly fraudulent sale of municipal bonds to include about 60 issues, many of them marketed by major Wall Street underwriters, according to published reports. As much as \$12 billion of securities may be involved.

The SEC, as its policy, would not confirm or deny that an investigation is under way.

Previously, the focus of the inquiries was thought to have been Matthews & Wright Group Inc., a New York firm.

The Philadelphia Inquirer, citing government and industry sources, reported Thursday that the SEC has in recent weeks issued subpoenas to Donaldson, Lufkin & Jenrette Inc. and Kidder, Peabody & Co. as well as Matthews & Wright. The commission apparently seeks to determine whether the issuers of bonds underwritten by these houses made accurate disclosures about the deals.

Interest on these bonds is generally exempt from federal income tax. But in the cases under investigation, there is allegedly no connection, or a very loose one, between the financing and the projects for which the money was supposedly raised. In that case, the Internal Revenue Service could rule that the offerings are taxable, and their market value would decline.

A Donaldson spokeswoman, Catherine M. Conroy, said that the firm has "no reason to believe there are any problems with our underwritings." She said the company was asked by the SEC for information, which it supplied, about several offerings it underwrote in late 1985. Kidder, Peabody was not available for comment.

The Wall Street Journal reported Friday that some offerings underwritten by Miller & Schroeder Financial Inc., based in Minneapolis, were also under investigation. But Paul R. Ekholm, senior vice president, said the firm knew nothing about an SEC inquiry.

CHEF: Management Techniques in the French Kitchen

(Continued from first finance page) L'Espérance, in Saint-Pierre-sous-Vézelay, Alain Chapel in Mionnay, and Pierre Troisgros in Roanne.

Obviously, Joël Robuchon, says, knows how to chop and stir — one food critic called his *crème de chou-fleur à la gelée de carter* the first thing he wants to eat in heaven. But once a cook becomes a chef with a restaurant, all that changes. "They are business managers," Mr. Brumm says, "directing teams of specialists that work together to prepare complicated dishes."

It is a given that every top chef knows what every one of his 20 or 25 assistants is doing at every moment, and that he oversees every drizzle of *crème anglaise*, tastes every *bûche* and *sauce beurre blanc*, and pokes at every slice of *roûti de veau*, before sending it to the diner. Sometimes such perfectionism extends to unusual lengths: At Tour d'Argent, for example, if a diner is called away from the table — say, for an urgent phone call — just as a dish is being presented, the kitchen will not reheat it, it will recreate the entire *plat*.

"These people all define success first and foremost by some sort of quality in a perfectionist notion in their food," Mr. Brumm says. "The financial success comes after that."

"This is a basic lesson that any business should follow. 'If you get the product and the organization and the service right, the financial success follows,' Mr. Brumm says. 'If you settle for short-term financial considerations, you never achieve quality.'"

He also hails the old craft apprenticeship system in the kitchen.

While most business schools today teach such rapid concepts as "participative management," "financial relations," and "a basic listening approach to management," chefs are more autocratic. "Chefs lead by drive," Mr. Brumm says, "determining through their own needs and desires how the cooking process is handled."

Chefs are not necessarily nice people, he adds. "They are abrupt and dictatorial."

Michael Brumm of the European Institute of Business Administration calls his study "Some Like It Haute."

In the way they talk to people. We teach the need for giving a lot of positive feedback; the chefs give quite a lot of negative response by way of criticizing.

But in the kitchen of chef, Mr. Brumm adds that "it is difficult to communicate exactly what a dish should be like. Often you are forced to say it's too salty or not salty enough, too cooked or not-cooked enough. So you are dealing with an artist. You are trying to get people to emulate some standard, and the way you are doing this is by eliminating error, criticizing errors. It is a difficult style of management, but it's quite effective."

Mr. Brumm sets several important differences between top restaurants in France and in the United States.

"French chefs concentrate on serving and, unlike Americans, are not preoccupied with customer turnover," he says. "Top French restaurants judge their success by the quality of the food; Americans judge theirs by the amount of money they make."

But Mr. Brumm notes a growing awareness among chef/owners that artistic fantasies must be tempered by concern with the bottom line. In some restaurants, chefs' wives are efficient financial managers, Mr. Brumm says, at times reining in the "excesses" of their husbands — for example, cutting files of beef too thick — to strike a happy balance between product and price.

Wives often function as a chef's chief executive officer and may be the only people allowed to criticize, guide and advise the temperamental boss. Mr. Brumm says wives often get involved in the restaurant because it is the only way to keep a marriage intact.

The flow of information from dining-room customer to kitchen chef is also important. Mr. Brumm sees this as a case study in streamlining production. Citing the example of Tour d'Argent and Taillevent, where the owners manage the dining room rather than the preparation of food, Mr. Brumm says the precise coordination needed to maintain the smooth flow of service is not unlike the special communication flow required by management in a large corporation.

Tokyo Stocks: Weakness Persists

TOKYO — Volatile trading is expected to plague Tokyo stock prices next week as the market looks unable to shrug off its three-week-long depression, brokers said.

The Nikkei 225-share index rose 347.09 points to 24,102.99 at the close of trade Friday, recovering from a two-month low of 23,472.42 on Wednesday.

"The market has touched bottom, but I don't know if prices will continue to rise," said a broker at Yamazaki Securities. Market capitalization is 10 percent down from its high in June 17, when the index stood at a record 25,929.42.

Factors that have depressed the market, such as higher oil prices, the dollar's rise against the yen and diminished hopes for a cut in Japan's discount rate, still apply.

"As long as the dollar stays high against the yen, the stock market will be very weak," said Hidehiro Iwaki of Nomura Research Institute. Enormous amounts of money have deserted Tokyo stocks for dollar-based investments, and will continue to leave with the dollar at current levels, Mr. Iwaki added.

The market also has not adjusted enough to accommodate the changed outlook on interest rates. Expectations of rate cuts were a major force behind the market's rise this year.

Shares in securities houses and banks, and other

issues related to the expansion of Japan's economy, were bought most heavily on rate cut hopes, brokers said.

"We should see more selling of financial stocks next week," said Stephen Codrington, head of equities trade at Jardine Fleming Securities Co.'s Tokyo branch. "I am still suspicious of shares on the domestic demand front."

He said the market has found no group of stocks to drag it out of the doldrums. "There is no evidence of a recovery yet in the manufacturing sector of the economy," Mr. Codrington said.

Foreign investors have been net sellers of Japanese stocks for the past four months.

"People will buy as soon as prices look cheap and dump their shares in the next couple of days when they rise a little," said a broker at Sanyo Securities Co.

U.S. trade data for May due out next Wednesday are expected to show that the U.S. deficit has narrowed, brokers said. This would be likely to support the dollar on its upward path, thus diverting more money from Tokyo shares, they said.

Japan's customs-cleared merchandise trade surplus for June narrowed to about \$6.61 billion from \$7.36 billion a year earlier, the Finance Ministry said Friday. This is also likely to support the dollar, brokers said.

KKR Is Seeking to Build A \$5 Billion Buyout Fund

By James Sterngold

New York Times Service

NEW YORK — Kohlberg, Kravis, Roberts & Co., the leading U.S. arranger of leveraged buyouts, is seeking to build a \$5 billion fund to finance buyouts, by far the largest such fund.

A year ago the private investment firm raised \$2 billion, at that time the largest sum ever raised for buyouts.

That fund gave Kohlberg the power to undertake several multi-billion-dollar transactions, including the \$6.2 billion buyout of Bestrate Co. and the \$4.25 billion buyout of Safeway Stores Inc.

Thomas Daly, a Kohlberg spokesman, confirmed Wall Street rumors that the firm was raising a new fund, but would not give details.

The capital would be used as equity leveraged buyouts. Most of the capital needed for buyouts is in the form of borrowed funds — or leverage — and a relatively small amount is equity.

Because a typical buyout has more than five times as much debt as equity, the fund may thus be used to finance more than \$30 billion of these complex, risky, but often highly lucrative, transactions.

A number of other partnerships are also trying to raise big sums to finance leveraged buyouts. In May, for instance, Foryston Little & Co. said it had raised \$2.7 billion.

The steep increase in the number of players is a sign that the high returns are exerting an almost hypnotic lure for institutions, ranging from pension funds to insurance companies and banks.

However, the competition is also taking a sign on Wall Street that the field may be growing crowded, which could ultimately reduce profits from the buyouts.

According to Wall Street professionals, Kohlberg began to circulate a brochure last month to solicit the \$5 billion, which would come only from institutions. The minimum investment is \$25 million.

DEBT: Write-Offs Could Worsen Third World's Problem

(Continued from first finance page) likely to allow deduction against tax of much more, he said, and "they won't allow an absolutely silly write-down."

In Britain, National Westminster Bank PLC and Midland Bank PLC are the only two clearing banks to follow Citicorp. But while confident of a favorable tax decision, they did so without a final ruling from the Inland Revenue, the taxation agency.

The Federation of Bankers Associations of Japan has asked for more favorable tax treatment of provisions. But so far, its efforts have been unsuccessful because the authorities are concerned that the necessary tax changes would reduce government revenues.

And in France, there are no guidelines for writing off loans. By setting aside extra provisions, banks acknowledge that the loans are not worth their full face value.

The provisions cover any loss that may be incurred on a loan in case of default, or if the bank sells or swaps it. Generally, part of the loss can be offset by tax credits.

In the United States, the provision has resulted in banks effectively writing down about 25 percent of the value of loans to certain countries. In Britain, National Westminster's decision represented a 29.8-percent write-down, while Midland's was for 72.8 percent.

Many U.S. banks, which have said they will write down a loan only when it has been sold or swapped, are uneasy over the current situation.

They fear that U.S. accountants will make them mark down all their loans to current market price, even if they sold only one at a discount. And while there has been talk in Washington about a willingness to explore accounting and regulatory obstacles for treating these debts, bankers note that officials will avoid any action that suggests they are backing out of the loans.

Bankers agree that the question of write-offs is a touchy one and for many it is as much a matter of principle as principal.

In Britain, bankers continue to resist a full write-off of debt on the ground that their ultimate goal is to receive repayment of the loans.

Friday's AMEX Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. In The Associated Press.

Table A: 12 Month High Low Stock Div. Yld. PE 52 High Low Close. Lists various stocks like ABBN, ABM, ABN, etc.

Table B: 12 Month High Low Stock Div. Yld. PE 52 High Low Close. Lists various stocks like ABC, ABC, ABC, etc.

Table C: 12 Month High Low Stock Div. Yld. PE 52 High Low Close. Lists various stocks like DEF, DEF, DEF, etc.

Table D: 12 Month High Low Stock Div. Yld. PE 52 High Low Close. Lists various stocks like GHI, GHI, GHI, etc.

Table E: 12 Month High Low Stock Div. Yld. PE 52 High Low Close. Lists various stocks like JKL, JKL, JKL, etc.

Table F: 12 Month High Low Stock Div. Yld. PE 52 High Low Close. Lists various stocks like MNO, MNO, MNO, etc.



BUSINESS ROUNDUP

Holmes à Court Has 9.5% of Texaco

NEW YORK — Robert Holmes à Court, the Australian financier known for his takeover forays, said Friday he had raised his stake in Texaco Inc. to 9.5 percent, the second time this past week the investor has disclosed an increased holding in the troubled oil giant.

investment purposes. Although he has not expressed interest in acquiring Texaco, he is considered a potential takeover threat. The latest disclosure came two days after the Holmes à Court group told the SEC it had raised its stake in Texaco to 7.4 percent from 6.4 percent of Texaco's 242.2 million common shares outstanding. Texaco shares were among the most heavily traded securities Friday on the New York Stock Exchange. The stock price fell 37.5 cents to close at \$44.875.

MFI, Allied Retailers Units Put Up for Sale by ASDA

LONDON — ASDA-MFI Group PLC, which has operations ranging from food retailing to furniture stores, said Friday that it would seek buyers for its MFI and Allied Retailers Ltd. units. Analysts said any sale could be worth around £700 million (\$1.13 billion). The company also published annual figures showing a 15.4 percent rise in pretax profit to £192 million in the year to May 5, from £166.4 million in the previous year.

Fairchild Announces Restructuring

CHANTILLY, Virginia — Fairchild Industries Inc., the financially troubled military contractor, announced a restructuring plan Friday that will emphasize its aerospace and defense electronics businesses. The program involves an infusion of capital from an investor group headed by George Soros, an expanded divestiture program, the repurchase of some preferred stock and the reduction of senior debt, Fairchild said.

Under an agreement in principle with Fairchild, Quantum and the investor group agreed to limit their aggregate holdings to 25 percent of the company's outstanding voting securities for five years. The agreement also limits sales of any of the group's Fairchild holdings for 18 months. Under the company's divestiture plans, Fairchild intends to sell its general industry segment, raising up to \$150 million this year.

back 3,436,037 outstanding shares of \$3.60 redeemable Series A preferred stock. The company, which has senior debt of \$144 million due 1998, said it intends to prepay \$22.8 million of that debt this month and \$28.7 million in August. Fairchild said it may negotiate earlier payment of the remaining senior debt and cancel its \$75 million bank revolving credit line.

Rolls-Royce Wins Contract

LONDON — British aero-engine manufacturer Rolls-Royce announced Friday a contract to supply engines to the Australian airline Qantas. The airline has ordered four of the U.S.-built Boeing 747-400 aircraft with Rolls-Royce RB211-524D40 engines, with options on a further 15. Rolls-Royce said the deal was worth at least \$150 million (\$243 million).

UBS Targeting Hill Samuel As Part of Global Strategy

By Thomas Netzer International Herald Tribune GENEVA — Union Bank of Switzerland has set its sights on a British merchant bank, Hill Samuel Group PLC, as part of a long-term strategy to strengthen its role in the growing global market for financial services, a bank spokesman said Friday.

Swiss share markets reacted cautiously to the merger talks. Buyers sent Union Bank stock up by about 15 Swiss francs (about \$10) to 4,690, investment bankers said. Investment analysts said they were confident that market impact would become apparent in the next few months, if the acquisition succeeded. The takeover talks were hailed by investment and banking analysts as a positive sign to world markets.

Euro-Commercial Paper

Table with columns for 15-45 days, 46-75 days, 76-105 days, 106-133 days, 136-165 days, 166-183 days. Includes sub-tables for 15-45 days, 46-75 days, 76-105 days, 106-133 days, 136-165 days, 166-183 days.

Thompsons' Strength Is Family Cohesion

DALLAS — In Dallas, a city renowned for wealthy families, the Thompsons own the nation's largest convenience store chain, 7-Eleven, does not fit the mold. The Thompsons are apparently one of the few families that made their fortune with no help from oil and gas, although they did later buy a big stake in Citicorp.

fortnight, private and unpretentious, the three brothers, their mother and their families also head one of the largest private companies in Dallas. Through Thompson Co., the family has interests in a number of private businesses, whose revenues total \$500 million. And according to some of those close to the brothers, the Thompsons have managed to run their holdings without the family arguments that have plagued other wealthy clans.

Friday's OTC Prices. MASDAQ prices as of 4 p.m. New York time. Via The Associated Press.

Table A: OTC prices for various companies including ABC, AIG, AIZ, etc.

Table B: OTC prices for various companies including ABB, ABB, ABB, etc.

Table C: OTC prices for various companies including ABB, ABB, ABB, etc.

Table D: OTC prices for various companies including ABB, ABB, ABB, etc.

Table E: OTC prices for various companies including ABB, ABB, ABB, etc.

Table F: OTC prices for various companies including ABB, ABB, ABB, etc.

Table G: OTC prices for various companies including ABB, ABB, ABB, etc.

Notes and legends for the OTC price tables, including symbols for stock types and market conditions.

**ACROSS**

1 John Irving protagonist  
5 To the matter in hand  
10 Gave ludos  
15 Legs, to Runyon  
19 Shielded, in a way  
20 Urbane  
21 An official under Nero  
22 Islands, off New Guinea  
23 "Minute Waltz" et al?  
25 Support Bacon?  
27 Estimate too highly  
28 Courage  
30 "Lucretia" painter  
31 Keeps  
32 Regal topper  
33 Knight's superior  
34 Chew the rag  
35 Polypheism  
36 Paradigm  
37 Foreword  
40 Equipped for speaking?  
42 Dandy  
45 Electrical units  
46 Except

**DOWN**

1 Fla.'s Bowl  
2 Vibrant  
3 Sat again  
4 Nobleman grows old?  
5 Tai and Lai  
6 La Scala highlight  
7 Steeplechase  
8 Anne Baxter role  
9 Handel opus  
10 Renaissance  
11 Turkish city on the Seyhan  
12 Kind of squad  
13 Lodge brother

**ACROSS**

47 — P., Dickens character  
48 Moto matter  
49 Roulette play  
50 Like Old Glory with 48 stars?  
54 "Dancing" director  
55 Game for masked players?  
57 Judicial writ  
58 Waikiki acquisition  
59 Tabasco ta-ta  
60 Canary's cousin  
61 Deserve  
62 Early Greek poet  
64 To the point  
65 Detroit lobby leader?  
68 Austen  
69 Marjorie at dawn?  
71 Past  
72 Help escapes  
73 Mike Tyson's milieu  
74 Matrimony, e.g.  
75 Skim along easily

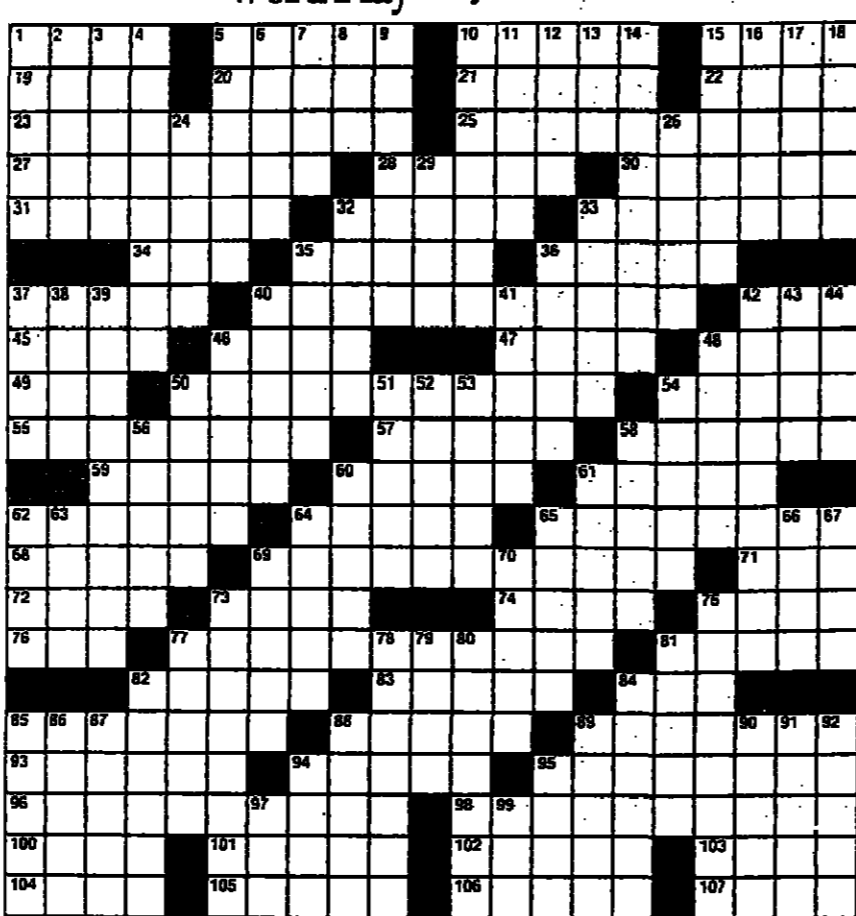
**DOWN**

14 Lowered the class curve on a test?  
15 Frisk  
16 Singer Kay  
17 Clement or Marianne  
18 French body  
24 Troy's last king  
26 Broadcast  
29 Fight for breath  
32 Lion's ivy rival  
33 Portended  
34 Boat section  
35 Ankles  
36 Conjurers  
37 Elbow

**ACROSS**

76 Duffer's delight  
77 Sajak and White?  
81 Made bread  
82 Broncubusting medium  
83 Stretched-out canal?  
84 Cistern  
85 Bistro for a contesting team?  
88 Wely's "Music from ..."  
89 Jack's heir?  
93 Dissonant  
94 Compassion  
95 Touchdown  
96 B's for theses?  
98 Genuine possessions?  
100 A Cassini clergyman  
101 Facing Darling  
102 Top-drawer  
103 Barely managed, with "out"  
104 "The ..." Midler film  
105 Starchy collars  
106 U.S. capitalist  
107 Where soaps unfold

Word Play By Louis Sabin



© New York Times, edited by Eugene Malachuk.

**DOWN**

38 Change the décor  
39 Ancient school man?  
40 Fills the hold  
41 Consumed  
42 Chestah's trail?  
43 Pelion's base in a saying  
44 Hammer part  
46 Hair net  
48 Like a dunce cap  
50 Marriage rival  
51 Boat section  
52 Ankles  
53 Peregrine  
54 This is crazy

**DOWN**

56 Dostoyevsky's The ...  
58 Brittlelike parts  
60 Suit fabric  
61 Snarleyyows  
62 Jalopy  
63 Napoleon slept here  
51 Boat section  
52 Ankles  
53 Peregrine  
54 This is crazy

**DOWN**

66 Chills and fever  
67 "The Seventh Veil" star  
69 Carpenter's joint  
70 Silo contents  
73 Soviet seaweed?  
75 Ghuz  
77 Having rounded projections

**DOWN**

78 Concerning reputations?  
79 Jet wind of Sudan  
80 Neighbor  
81 Maniples  
82 Bridge goof  
84 Overlay  
85 Flavor pro-  
86 Aviator Balbo  
87 Saps  
88 Jampan

**DOWN**

89 Serum-toting dog  
90 Phumbing tool  
91 Chamber group  
92 Essentials  
94 Roads scholar  
95 — accomplish  
97 Polo Grounds  
98 Scout in "Little Nellie Kelly"

**ORPHANS: Real and Imaginary**  
By Eileen Simpson. 249 pages. \$16.95.  
Weidenfeld & Nicolson, 9 East 40th Street, New York, N.Y. 10016.

Reviewed by John Gross

EILEEN SIMPSON lost her mother when she was 11 months old and too young to remember anything about it. And yet is the loss of a mother something that even a child as young as that can ever quite forget?

Here at any rate are the thoughts, quoted by Simpson in "Orphans," of someone whose mother died when she was 2. Yes, my Maman, whom I was never able to call that because I did not know how to talk when she died. She is my highest image of love — not cold, divine love, but warm, earthly love. maternal. . . . Mamma, hold me, baby me! That was Tolstoy, writing at the age of 80.

Two years after her mother's death, Simpson and her sister, Marie, who was 10 months older, were sent to board in a convent at Dobbs Ferry, New York, that was in many ways indistinguishable from an orphanage; they left only to see their father in New York during vacations. Then, when Eileen was 7, he died in his turn.

Now she and Marie were truly orphans. But once

BOOKS

she grew up, she came to think of herself, when she thought about being an orphan at all, as one of the "lucky" ones who had emerged unscathed.

It was only in middle life, after she learned that her husband was suffering from cancer, that she had intimations (without initially recognizing them for what they were) that she was going to be forced to re-examine her past; and only after his death that she felt, for the first time, "profoundly orphaned." Her bereavement stirred up the memory of childhood losses, and the long emotional crisis that followed finally forced her to admit just how devastating those losses had been.

The first half of "Orphans" is the product of this self-confrontation. Simpson had begun collecting notes for a book on orphans while her husband was still alive; later she resumed work on it as a form of therapy. But it simply exacerbated her problems — until she reached the point at which she recognized that she was part of the story.

Much of what she recalls of her childhood was, outwardly at least, fairly unremarkable. She stayed

at the Dobbs Ferry convent until her uncles and aunts became concerned that she might be a candidate for tuberculosis, and she was sent to a "Preventorium" in New Jersey; then she and Marie passed some rather drab years with a spinster aunt, lightened by visits to altogether more cheerful relatives and a liberating summer in New Hampshire.

The power of the story lies in the telling, however, and in the singular skill with which Simpson recaptures the intensity of childhood, its piercing dramas and frustrations. The secret pleasure, for a convent child, of chewing the celluloid cover of a misal; the sudden terror of losing one's way in a freak snowstorm; the glamour that invested stray memories of her father, and other people's recollections of her mother — one episode after another is brought to life with a sharp immediacy.

Simpson has a wide range of interests (she is a psychotherapist who has also written a notable memoir of John Berryman and his friends, "Poets in Their Youth"), and in the second half of "Orphans" she turns to general themes — to a brief "history of orphanhood" and a consideration of the role played by orphans in autobiography and literature. By no means all the figures she examines were literally motherless and fatherless; they include "psychic orphans" such as Charlie Chaplin, and writers drawn to fantasies of being orphaned, such as Dickens and Mark Twain.

Much of her material is fascinating, and her comments are invariably intelligent and to the point. She is excellent on what Rousseau doesn't tell you in his "Confessions," for example; on Anna Freud's work with children who survived the Nazi death camps, on Samuel Beckett's grim projection of the "essence of orphanhood" in his 15-minute play "Not I."

John Gross is on the staff of The New York Times.

DENNIS THE MENACE



"DO YA SUPPOSE THAT WHEN GOD MADE MARGARET, HE WAS TIRRED?"

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	31	24	Beijing	28	21
Amsterdam	20	14	Bombay	32	25
Athens	28	21	Hong Kong	30	23
Berlin	20	14	New Delhi	32	25
Birmingham	20	14	Shanghai	32	25
Boston	20	14	Singapore	32	25
Brussels	20	14	Taipei	32	25
Cardiff	20	14	Tokyo	32	25
Copenhagen	20	14			
Dublin	20	14			
Frankfurt	20	14			
Geneva	20	14			
Helsinki	20	14			
Lisbon	20	14			
London	20	14			
Milan	20	14			
Moscow	20	14			
Munich	20	14			
Nice	20	14			
Oso	20	14			
Paris	20	14			
Prague	20	14			
Rivkiv	20	14			
Rome	20	14			
Stockholm	20	14			
Strasbourg	20	14			
Venice	20	14			
Vienna	20	14			
Zurich	20	14			

**MIDDLE EAST**

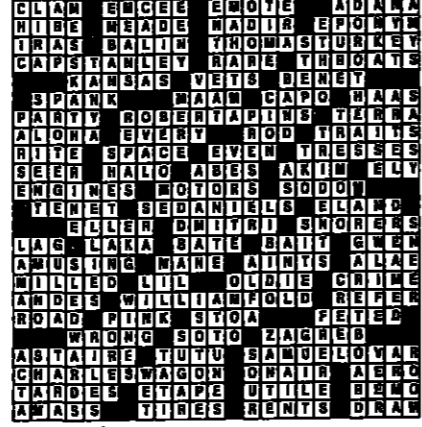
Ankara 24 18 12  
Beirut 31 25 19  
Cairo 31 25 19  
Damascus 24 18 12  
Jerusalem 24 18 12  
Tel Aviv 24 18 12

**OCEANIA**

Auckland 19 13 7  
Sydney 24 18 12

**SATURDAY'S FORECAST** — CHANNEL Islands: Partly sunny, 24-28. Dover: Partly sunny, 24-28. Folkestone: Partly sunny, 24-28. Margate: Partly sunny, 24-28. Ramsgate: Partly sunny, 24-28. Sandwich: Partly sunny, 24-28. Deal: Partly sunny, 24-28. Dover: Partly sunny, 24-28. Folkestone: Partly sunny, 24-28. Margate: Partly sunny, 24-28. Ramsgate: Partly sunny, 24-28. Sandwich: Partly sunny, 24-28. Deal: Partly sunny, 24-28.

Solution to Last Week's Puzzle



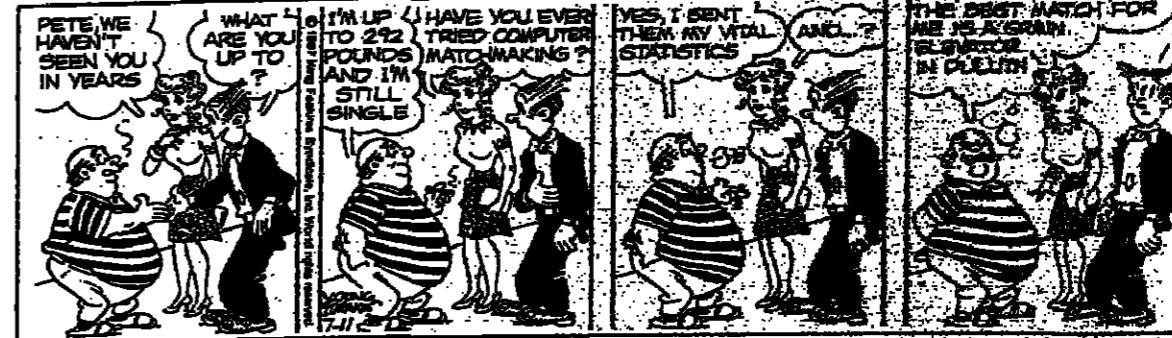
World Stock Markets

Market	Index	Change
Amsterdam	1720	+120
Brussels	1720	+120
Frankfurt	1720	+120
London	1720	+120
Paris	1720	+120
Stockholm	1720	+120
Zurich	1720	+120
Oslo	1720	+120
Copenhagen	1720	+120
Helsinki	1720	+120
Warsaw	1720	+120
Budapest	1720	+120
Prague	1720	+120
Vienna	1720	+120
Berlin	1720	+120
Dresden	1720	+120
East Germany	1720	+120
Poland	1720	+120
Czech Republic	1720	+120
Slovakia	1720	+120
Hungary	1720	+120
Romania	1720	+120
Bulgaria	1720	+120
Greece	1720	+120
Spain	1720	+120
Portugal	1720	+120
Italy	1720	+120
France	1720	+120
Germany	1720	+120
Japan	1720	+120
South Korea	1720	+120
Taiwan	1720	+120
Hong Kong	1720	+120
Singapore	1720	+120
Malaysia	1720	+120
Indonesia	1720	+120
Philippines	1720	+120
Thailand	1720	+120
Sri Lanka	1720	+120
India	1720	+120
Pakistan	1720	+120
Bangladesh	1720	+120
Nepal	1720	+120
Bhutan	1720	+120
Myanmar	1720	+120
Laos	1720	+120
Cambodia	1720	+120
Vietnam	1720	+120
North Vietnam	1720	+120
South Vietnam	1720	+120
Timor	1720	+120
East Timor	1720	+120
West Timor	1720	+120
Brunei	1720	+120
Sarawak	1720	+120
Sabah	1720	+120
Maldives	1720	+120
Comoros	1720	+120
Madagascar	1720	+120
Mozambique	1720	+120
Swaziland	1720	+120
Zimbabwe	1720	+120
Botswana	1720	+120
Namibia	1720	+120
South Africa	1720	+120
Kenya	1720	+120
Uganda	1720	+120
Rwanda	1720	+120
Burundi	1720	+120
Tanzania	1720	+120
Zambia	1720	+120
Malawi	1720	+120
Mozambique	1720	+120
Swaziland	1720	+120
Zimbabwe	1720	+120
Botswana	1720	+120
Namibia	1720	+120
South Africa	1720	+120
Kenya	1720	+120
Uganda	1720	+120
Rwanda	1720	+120
Burundi	1720	+120
Tanzania	1720	+120
Zambia	1720	+120
Malawi	1720	+120

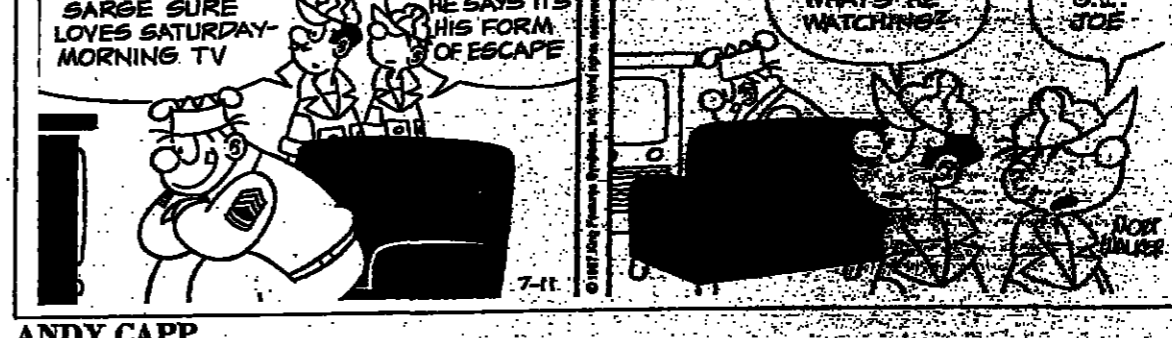
PEANUTS



BLONDIE



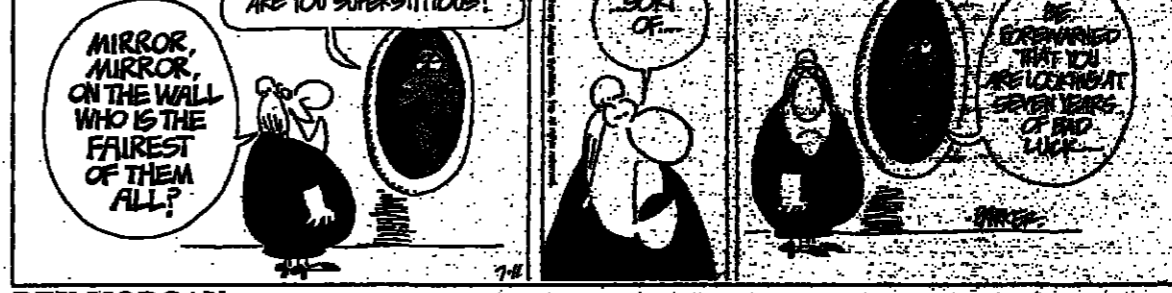
BEEBLE BAILEY



ANDY GAPP



WIZARD OF ID



REX MORGAN



GARFIELD



SPORTS

Hoisting a Dollar Sign, Japan Sails Into 'Peaceful War Among Nations'

By Stewart McBride
Special to the Herald Tribune
PORTO CERVO, Sardinia — Wrapped in blue kimono and flanked by an army of eight chefs set to carve the raw fish, Masakazu Kobayashi, the billionaire from Nagoya, Japan, brandished a wooden mallet and helped to smash open a 36-gallon (136-liter) barrel of ceremonial sake.

the competition off Sardinia, dealing embarrassing defeats to Stars and Stripes and the Kookaburra II from New Zealand, both finalists in last February's America's Cup races.
In Japan, land of the rising sun, the age of checkbook yacht racing appears to have dawned, too. Backed by the Seibu department stores, the country's largest chain, Kobayashi has budgeted \$50 million for winning the America's Cup for Japan. But, said Sam Amato, the Japanese syndicate director, "We will spend \$500 million if necessary."

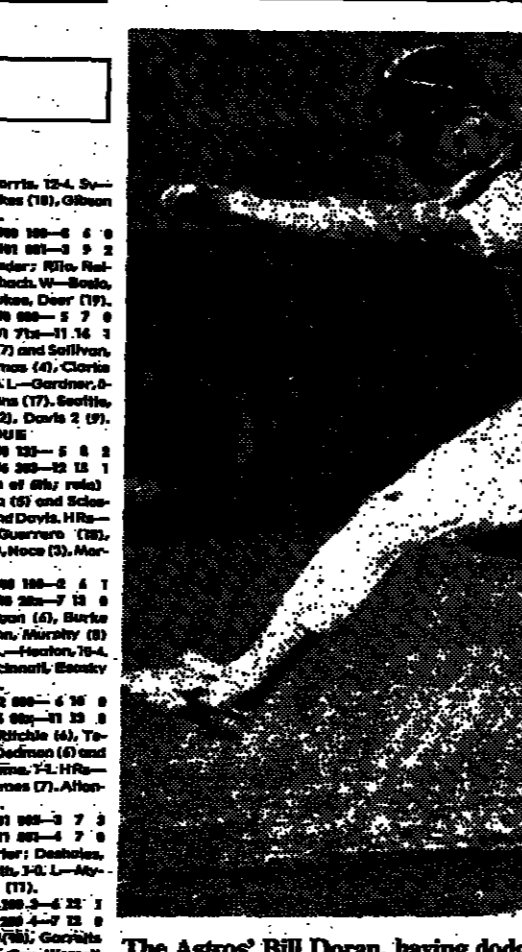
Bengal Wins Title, Maybe
United Press International
PORTO CERVO, Sardinia — Bengal, the Japanese yacht given new life when its protest was upheld Thursday, led New Zealand from start to finish Friday in the third race and provisionally won the world 12-meter yacht racing championship by 40 seconds.
Another protest flag — this one hoisted by New Zealand after rounding the final marker — meant that the winner of the three-week event would be determined in the jury room, possibly Saturday morning.
Bengal had a three-second edge as the yachts crossed the starting line and a lead of 1:57 at the halfway mark over the 23.5-nautical-mile course, raced in light winds of 5 to 10 knots that favored Bengal.

essential in this sport. The boat that leads from the start generally wins."
Kobayashi who made his fortune by investing profits from his family's aircraft company in real estate, reasons that if Sony and Toyota can compete very successfully in the international electronics and automobile markets, he certainly can take that coveted silver ewer from Dennis Conner. But while Conner has been in the America's Cup business for 14 years, Kobayashi, in effect, joined the fray six months ago in Australia when he paid \$7 million to Bond for Australia III and Australia IV.
Both boats were Ben Lexcen-designed descendants of Australia II, the wing-keeled "Wonder from Down Under" that won the America's Cup from Newport, Rhode Island, in 1983.

Cup by racing in 1989 at his exclusive Bengal Bay Club, a 90-minute jet-helicopter ride southwest of Tokyo. Bengal Bay, a luxury village nestled inside the magnificent national park of Ise Shima, opens next fall, lifetime membership to the club costs an even \$2 million.
The ostentation led some sailing cynics here to maintain that all the fuss could be more easily accomplished by standing under a cold shower and tearing up hundred-dollar bills. But the race for the "suld mug" — a Victorian urn whose silver content is worth less than \$500 — is no longer just a gentlemanly outing dominated by the Vanderbilts. In the last four years the competition has grown into a worldwide, televised sporting event involving national prestige and high finance.
Last year, yachts from the United States, Australia, New Zealand, Britain, France, Italy, and Canada took part in the America's Cup competition. For 1991, the San Diego Yacht Club has received inquiries not only from Japan but Denmark, Sweden, Spain and West Germany, and as well from Middle East and Soviet bloc nations.

SCOREBOARD

Baseball
Thursday's Major League Line Scores
AMERICAN LEAGUE
Chicago 6-5
New York 5-4
Detroit 4-3
Boston 3-2
Toronto 2-1
Minnesota 1-0



The Astros' Bill Doran, having dodged the tag, danced home after stealing second in the fifth inning, continuing on when the Mets' catcher, Gary Carter, threw into the outfield.

With 4 Runs in 10th, Cardinals Beat Giants to Win 8th Straight
Compiled by Our Staff From Dispatches
ST. LOUIS — The St. Louis Cardinals scored four runs in the bottom of the 10th inning Thursday night as they beat the San Francisco Giants, 7-6, and continued to pull away from the rest of the teams in the National League East.
The Cardinals extended their winning streak to eight — their longest since 12 straight in 1982 — and now lead the second-place Chicago Cubs by 9 1/2 games.
But Thursday night's game "was crazy," said the Cardinals' Willie McGee. "Sometimes it seems like we have to be challenged and put in a bad spot before we come back."

BASEBALL ROUNDUP
Cubs 12, Dodgers 5 (suspended): In Chicago, Paul Nove homered and drove in five runs and Keith Moreland and Manny Trillo also homered, but the game was halted by darkness with two out in the bottom of the sixth after a rain delay of 1 hour, 7 minutes. It was to be completed Friday's game.
White Sox 6, Yankees 3: In the American League, in New York, Ozzie Guillen got five hits for Chicago and Carlton Fisk drove in three runs, two with a homer, one with a bases-loaded walk.
Bob James relieved starter Richard Dotson, who had given up only six hits, with the bases loaded and two out in the bottom of the ninth, then retired Willie Randolph to end the game.

Oil Prices Fall After OPEC's Shift on Output
The 23-nation members next attack the mainstay of oil, 158-mile 11th stage from Dubai to Chammei-les-Monodiers, the smallest town to host the tour since its inception in 1930.

Major League Leaders

AMERICAN LEAGUE
Babe Ruth 44
Lou Gehrig 43
Dwight Gooden 42
Tom Seaver 41
Steve Carlton 40

Cycling

Tour de France
THIRTEENTH STAGE
Three trials
(Chateau de Pottouville)
(23.6 kilometers/14.5 miles)
1. Stephan Roche, France, 42 seconds behind.
2. Charly Mottet, France, 42 seconds behind.
3. Jean-Francois Bernard, France, 1:24.
4. Jean-Francois Bernard, France, 1:24.
5. Jean-Francois Bernard, France, 1:24.

Saberhagen, Fernandez Lead Pitchers Selected for AL, NL All-Star Teams

NEW YORK — Bret Saberhagen of Kansas City, coming back royally from a season of injury and frustration, will lead the nine-man pitching staff chosen Thursday for the American League All-Star team.
Manager John McNamara, of the Boston Red Sox, chose to go with a nine-man staff that did not include Rick Rhoden, who leads the first-place New York Yankees with an 11-5 record after 13 seasons in the National League. For starters, McNamara will go with Saberhagen, who leads the major leagues, Bruce Hurst of the Red Sox, Jack Morris of the Detroit Tigers, Mark Langston of the Seattle Mariners and Mike Witt of the California Angels.

Soccer

AMERICA'S CUP
Argentina & Uruguay 1
Final July 13
Uruguay vs. Chile

Transition

BASEBALL
BALTIMORE — Purchased the contract of Red Washington, infielder from Rochester of the International League.
TEXAS — Put Edwin Corrales, pitcher, on 15-day disabled list. Recalled Terry Gooden, catcher, from Nashville, American Association.
CINCINNATI — Put Karl Dunfee, outfielder, on 15-day disabled list. Recalled Terry Gooden, catcher, from Nashville, American Association.

Major League Standings

AMERICAN LEAGUE
East Division
New York 49
Detroit 46
Boston 45
Toronto 44
Minnesota 43
Chicago 42

For the Record

Jeff Fenech of Australia retained his World Boxing Council super-bantamweight title by stopping U.S. challenger Greg Richardson on a technical knockout in the fifth round Friday night in Sydney.
George Foreman, the former heavyweight champion, knocked out Charlie Hostetter of Odessa, Texas, at 2:01 of the third round Thursday of Foreman's second comeback fight, in Oakland, California.
Ian Woosnam of Wales, Europe's top-ranked golfer, has been granted a special invitation to play in the PGA Championship next month in Florida, tournament officials said.

SPORTS BRIEFS

Roche Wins Tour Time Trial; Mottet, 2d, Takes Overall Lead
United Press International
FUTUROSCOPE, France — Stephen Roche of Ireland won the first individual time trial Friday of the Tour de France bicycle race, while Charly Mottet of France finished second and took the overall lead.
Erich Maechler of Switzerland, Roche's teammate on the Carrera team, had won the leader's yellow jersey for six days, but he finished 16th to fall to fourth overall.
The hilly, 54.3-mile (87.5-kilometer) time trial had been expected to sort out the real challengers from the rest. Roche completed it, the tour's 10th stage and its longest time trial since the 1950s, in 1 hour, 58 minutes and 11 seconds. Mottet finished 42 seconds back, Jesper Skibby of Denmark 53 seconds behind.
With a head wind just adding to the difficulty, Roche averaged more than 27 mph. Mottet, among the last starters, fell back in the middle of the stage but rallied toward the end to edge out Skibby. Skibby had had hopes of springing an upset when he overtook longtime leader Peter Steenbakken of the Netherlands. French professional champion Marc Madiot was a surprise fourth and Dietrich Thurau of West Germany placed fifth.
Mottet, who began the day in eighth place overall, trailing Maechler by 1:36, moved into an overall lead of 47 seconds over Thurau. Roy Muller of Switzerland was 50 seconds behind Mottet and Maechler trailed

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Transition

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POSTCARD
Rock 'n' Quiet

By Sarah Lyall
NEW YORK — Rock music reverberated through the ceiling, and in the room the parents came and went, speaking of Bryan Adams.

A spokesman for Madison Square Garden, John Urban, said the arena was interested in having a Quiet Room, but had no plans to install one.

By Michael Billington
LONDON — Odessa, Texas, has one. So do San Diego and Cedar City, Utah. London has, however, managed to survive for more than 300 years without one.



Sam Wanamaker (upper right) and drawing of Globe Theatre, which he hopes will open in 1992 with "Henry V."

When he arrived in London in 1949 he made a beeline for the Bankside in South London, directly opposite St. Paul's Cathedral, on the south side of the Thames.

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PEOPLE

U.S. Senate Wives Design New Chairman Policy
The U.S. Senate has a new chairman policy. It didn't come out of the Senate's Foreign Relations Committee, but from an equally formidable group, the ladies of the Senate.

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